

**TRANSITION ASSISTANCE FOR MEMBERS  
OF THE NATIONAL GUARD AND  
EDUCATION BENEFITS FOR THE TOTAL  
MILITARY FORCE**

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**FIELD HEARING**

BEFORE THE

**COMMITTEE ON  
VETERANS' AFFAIRS**

**HOUSE OF REPRESENTATIVES**

**SUBCOMMITTEE ON  
ECONOMIC OPPORTUNITY**

**ONE HUNDRED NINTH CONGRESS**

**SECOND SESSION**

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**MARCH 22, 2006  
HEARING HELD IN ROGERS, ARKANSAS**

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Printed for the use of the Committee on Veterans' Affairs

**Serial No. 109-41**



26-679.PDF

**U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 2007**

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**TRANSITION ASSISTANCE FOR  
MEMBERS OF THE NATIONAL GUARD AND EDUCATION  
BENEFITS FOR THE TOTAL MILITARY FORCE**

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**WEDNESDAY, MARCH 22, 2006**

U.S. HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,  
COMMITTEE ON VETERANS' AFFAIRS,  
*Washington, D.C.*

The Subcommittee met, pursuant to call, at 10:00 a.m., in the National Guard Armory Drill Hall Floor, 1408 S. 1st Street, Rogers, Arkansas, Hon. John Boozman [Chairman of the Subcommittee] presiding.

Present: Representatives Boozman, Herseth and Snyder.

Also present: Senator Pryor.

MR. BOOZMAN. The meeting will be in order.

Good morning and welcome to the home of the 142nd Field Artillery Battalion, commanded by Colonel Jeff Montgomery. We are very proud of all of our Arkansas Guardsmen and women and the 142nd holds a special place in our hearts.

I want to thank everyone for working so hard to set the facility up. It looks great and looks very user friendly. I know there was a lot of hard work that went into preparing this.

I am delighted that each of you could join us for this important hearing on the effectiveness of today's GI Bill and Transition Assistance Program, commonly called TAP. Following the hearing, we are going to visit the VA Hospital in Fayetteville. Tomorrow, the staff and I will drive to Muskogee to see how they are handling education claims, then the staff will head back to D.C.

Congressional committees are organized with a Chairman from the majority party -- and that is me -- and a Ranking Member from the minority party. And I am very fortunate to have Ms. Stephanie Herseth as my Ranking Member. Ms. Herseth represents the entire state of South Dakota, and I thank her for making the trip to Rogers to meet my constituents and get a look at this beautiful part of America.

So welcome, Stephanie, and I am holding you to your promise not to move to Arkansas and run against me.

[Laughter.]

MR. BOOZMAN. And also, I apologized to her. I promised her if she would come down, the weather would be better than South Dakota, which, you know, this time of the year, you should not have any problem producing. But I do not know if we have done that or not. So welcome, Stephanie, and I yield to you for your opening remarks.

MS. HERSETH. Well, thank you, Mr. Chairman, for holding this hearing and for inviting me here to beautiful northwest Arkansas. This is my first trip to Arkansas and it is a pleasure to be here with you, with Congressman Snyder, another good friend of mine in the Congress, and with your constituents and service members and those who have served in Operation Iraqi Freedom and Enduring Freedom.

I am pleased to enjoy your hospitality. I was going to make a comment that I thought it was going to be a little bit warmer, but I cannot complain. I will be heading back later to South Dakota to a number of inches of snow in the western part of the state. So I am glad to be here without some of the snow on the ground.

I am looking forward to today's testimony. I appreciate the written testimony that has already been submitted to the Subcommittee. It has been very insightful. As Ranking Member of the Economic Opportunity Subcommittee, I have an especially strong interest in exploring options to improve and modernize the Montgomery GI Bill as well as enhancing readjustment services for service members transitioning from military service back into civilian life, transitioning back from months of service abroad, especially in the Middle East, back to their communities, whether they be in Arkansas or South Dakota or elsewhere.

I am looking forward to hearing from the witness panel of service members this morning about their particular experiences. And additionally, I am interested in exploring the other panelists' views and perspectives on the proposed total force GI Bill.

Since the Montgomery GI Bill was enacted over 20 years ago, our nation's dependence on the National Guard and Reserves has dramatically increased. The Montgomery GI Bill was not originally structured with the Department of Defense's heavy operational mission use of selected reservists in mind. So accordingly, I believe the time is right to re-evaluate and modernize and implement this important legislation.

So I look forward to working with Chairman Boozman, with Congressman Snyder and with my other colleagues on the Committee, working with the military service branches and military and veterans' service organizations in developing policy aimed to improve education and transition services to our men and women in uniform.

So thank you, Mr. Chairman. I yield back.

MR. BOOZMAN. Thank you.

We are really very pleased to have the other member of the Arkansas delegation that is on the Veterans' Affairs Committee. Mr. Snyder is here to be with us and, as you know, he represents the Second District of Arkansas and is one of the most active members on the Veterans' Affairs Committee and is a good friend, nobody does a better job caring for veterans in Arkansas than Vic Snyder. Vic.

MR. SNYDER. Thank you, Mr. Chairman.

Mr. Chairman, I just assumed that this hearing had been scheduled so it hit during filing week, so that if Congresswoman Herseth wants to make some kind of political move, she has got 10 days or so to make her decision.

I really appreciate you holding this hearing, Mr. Chairman, and it is a great pleasure to have Stephanie here today. She is one of the real bright spots in the Congress and on the Committee and I really appreciate her being here.

I also wanted to recognize Devon Cockrell on my staff, over here taking pictures -- on my Little Rock staff, is a member of the Army Reserve and also spent a year in Iraq, so he has got his own views on some of these issues we are facing today, too.

Mr. Chairman, I want to thank you for holding this hearing and for your interest in the GI Bill. As you know, I am on both the Veterans' Affairs Committee and the Armed Services Committee and a lot of these issues we are going to be talking about today on the GI Bill are really under the jurisdiction of the Armed Services Committee, but I think our Committee has dropped the ball on these issues. I think they are very important, I think we have modernization work we need to do on the GI Bill, and I think you are one of the leaders in that and I appreciate the both of you taking time to do the hearing, because we have not -- I hope this will set a model for the Armed Services Committee that we will follow because we have got some issues we need to address too.

But thank you for doing this, I look forward to the testimony.

MR. BOOZMAN. Benefits program do not just exist to get a bureaucracy to do something. Programs like the GI Bill and TAP exist to help those who wear the uniform re-enter civilian life and give them the opportunity to find success. We will hear from several of those service members today and I am looking forward to their testimony because it is good to hear from the customer and that truly is why we are here.

Everyone has probably heard of the GI Bill. The first GI Bill came out of the horrors of World War II and, according to many sociologists, made the American middle class. Congress passed the most recent GI Bill in 1985 and it has served us well over the years of the Cold War and beyond. But today's military reality is much different than from

1985. Guard and Reserve call ups were rare then. Certainly not so today. Our men and women in the Guard and Reserve are carrying a significant portion of the War on Terror, and we need to determine the extent to which we need to modernize the GI Bill, as was just alluded to by Mr. Snyder.

TAP is a more recent phenomenon and is designed to update our servicemembers on programs that are available to them, such as the GI Bill or employment services through the Department of Labor, Veterans' Employment and Training Service, or VETS. TAP was originally designed for those leaving active duty. However, several states are now adapting TAP to meet the needs of the returning Guard and Reserve units. These states are finding that a small investment in time and money following a long deployment has paid dividends in retention, recruitment, and fewer post-deployment family crises. I believe every state should make that commitment and I hope we will hear what the Arkansas Guard is doing in that respect.

Let us begin with the first panel. We appreciate you all being here today. We will start with Captain Jason Desoto, 142nd Field Artillery.

STATEMENTS OF CAPTAIN JASON DESOTO, A/1-142 FA BN, ARKANSAS NATIONAL GUARD; 1ST LIEUTENANT DWAYNE K. PAGE, C/1-142 FA BN, ARKANSAS NATIONAL GUARD; MASTER SERGEANT BRYAN L. PETERS, NONCOMMISSIONED OFFICER IN CHARGE, PERSONNEL READINESS, ARKANSAS NATIONAL GUARD and SPECIALIST JOHN H. ROTHWELL, III, B/1-14 FA BN, ARKANSAS NATIONAL GUARD

#### STATEMENT OF CAPTAIN JASON DESOTO

CAPTAIN DESOTO. Good morning, Mr. Chairman, Ranking Member Herseth and Congressman Snyder. I want to thank you in advance for the opportunity to speak with you today.

As you said, my name is Captain Jason Desoto. Currently I am the Commander of Alpha Battery, 2nd Battalion, the 142nd Field Artillery. Since my mobilization for Operation Iraqi Freedom II in October of 2003, I have remained in a full time military capacity in the Arkansas National Guard.

During OIF II, I was assigned as the fire support officer for Bravo Company, 1st Battalion, 153rd Infantry Regiment of the 39th Infantry Brigade here in Arkansas. The battalion that I was a part of was attached to the 3rd Brigade, 1st Cavalry Division located in Baghdad, Iraq. My responsibilities included coordination with local leaders of local governments, both at the neighborhood and district level inside of our zone of Baghdad. I was also responsible for supervising the

rebuilding projects in and around our district as well as conducting information operations in our zone.

Approximately one month prior to our redeployment back to the United States, my unit began receiving briefings and health assessments to determine -- to identify both our physical and mental health needs, as we returned home. Once we arrived at Fort Sill, Oklahoma in March of 2005, we received more thorough health assessments that were done both at a group level and a one-on-one basis to afford us more privacy. The counseling that we had received was designed to assist us as we began our reintegration with our families once we had been released from Fort Sill.

In addition, we were also briefed on the benefits that were available to us as veterans of foreign wars. The demobilization process in Fort Sill took approximately two weeks and the adjustment to being back home is still ongoing today, even as some of us prepare to deploy in support of Operation Iraqi Freedom again.

At this time, I am currently not receiving any type of assistance that was briefed to us once we were demobilizing. However, I am planning to take part in some of the benefits through the VA. I have scheduled an appointment with them and want to do this in case there are any complications that may have resulted from the deployment.

In my opinion, the Transition Assistance Program is greatly needed. And maybe in some areas needs some adjustments and in some areas some expansion. The briefings that were delivered to us as a unit were done so professionally and were very informative. However, I think that one adjustment that could be made to the program is that we could start the briefings and the health assessments at an earlier period, before we actually start the demobilization process. I think one of the greatest problems that we ran into is that in some cases family members would literally be waiting outside of whatever building that we happened to be in while they are trying to conduct a health assessment with us. And, you know, a soldier has not seen his family in 18 months, he may tend to prematurely answer some of the questions.

I think also, in addition to that, if the questions and some of the briefings were posed at an earlier point, it would give the soldiers and their families time to develop any questions and to become familiarized with all the programs and the benefits that are available to them.

In closing, I wanted to again express my appreciation to the Chairman and to the Subcommittee for the opportunity to speak with you. I will be happy to answer any questions you may have. Thank you.

MR. BOOZMAN. Thank you very much.

First Lieutenant Dwayne Page, 142nd Field Artillery.

[The statement of Captain Desoto appears on p. 82]

## STATEMENT OF FIRST LIEUTENANT DWAYNE K. PAGE

1ST LIEUTENANT PAGE. Good morning, Mr. Chairman Boozman and Ranking Member Herseth and Congressman Snyder, I would like to thank you for the opportunity to express my thoughts about the re-deployment process, while I was attached to the 39th Infantry Brigade.

My name is 1st Lieutenant Dwayne Page, and as a member of the Arkansas National Guard, I was appointed as the Fire Support Officer for Charlie Company, 153rd Infantry that served in the heart of Baghdad during combat operations of Operation Iraqi Freedom II. Operation Iraqi Freedom II started October 2003 and ended April 2005. Once my unit moved into Baghdad, my company was attached to Task Force 1-9 Cav. Although my unit was trained as a motorized infantry company, we performed the operations of a light infantry unit in neighborhoods surrounding the well known Haifa Street. My job was to promote the progress of the coalition and provide the Iraqi people information regarding the process to successful elections, as well as teaching the benefits of democracy and freedom. I was also in charge of debriefing combat patrols and conducting investigations on possible insurgents operating in my Task Force area of operations.

Just before we left the country, we had a mandatory cool down in Kuwait, which lasted about a week and a half. We just sat there, just taking it easy. Once we arrived at Fort Sill, Oklahoma, we were escorted to a field house to reunite with our families and friends. We were then released until the next morning. The next morning we were given classes and counseling sessions which lasted the majority of the day. This was about a five-day process. I do remember the counseling stressing certain items, although I cannot recall the majority of the benefits and classes that were offered to us during the time of the post-deployment. Like many soldiers, I knew my loved ones were waiting in the parking lot for me to complete the classes, so I found it very difficult for me to focus on the instructors and the classes given to me.

The state and federal actions that were taken during the post-deployment were great. I think the only thing was the timing. We could have conducted some of those classes in Kuwait just before we came home. As far as the benefits, most soldiers probably do not even know about all the benefits that are offered to them, just because of that situation.

I believe a great way to inform the soldiers would be to roll all those benefits up on one sheet of paper along with a number that they could call and ask details about the benefits. I remember when I went through, I received about 20 flyers, and I just put those flyers in a bag and I moved on out. I really did not want to spend time sitting there looking at all the flyers. I think it would have been easier if I could

have just looked down at a list of benefits that was offered and have a number that I could call.

We have had a couple of counseling sessions since we have been back, which is great and it shows that the state and federal is taking every action to make sure we are taken care of properly.

Once my deployment was completed, I transferred back to my original unit, the 2nd 142nd Brigade, and I was asked if I would like to go to Fort Sill, Oklahoma to conduct my Captain's Career Course, which I accepted with honor. I then came back to Arkansas and deployed to Fort Chaffee, Arkansas for Operation Katrina. During Operation Katrina, my job was to provide logistical support to the hurricane victims. Once my orders ended at Fort Chaffee, I was deployed to New Orleans, Louisiana to help clean up the damaged homes. Once I completed those duties in New Orleans, Louisiana, I returned back home to Bentonville, Arkansas. Sometime after New Years Day, I started working with the 2nd 142nd Brigade. I have been there ever since. Now I am preparing myself for a second successful mission in the Middle East.

I know the United States and the State of Arkansas is doing everything in its power to get my life back on track and I truly appreciate the diligent work. But I think it would have been more effective if the presentations were given in Kuwait or two or three months after the deployment. Additionally, I would suggest the development of a consolidated list for the benefits available.

I would like to thank you all for allowing me to speak today on behalf of the American soldier and the Arkansas National Guard. Thank you.

MR. BOOZMAN. Thank you.

Next, we will hear from Master Sergeant Bryan L. Peters, 416th Air Expeditionary Group.

[The statement of 1st Lieutenant Page appears on p. 88]

## STATEMENT OF MASTER SERGEANT BRYAN L. PETERS

MASTER SERGEANT PETERS Chairman Boozman, Ranking Member Herseth, Congressman Snyder, it is an honor to be here on behalf of the Arkansas National Guard and the 188th Fighter Wing to discuss the transitional Assistance for our members. I will be kind of addressing you as both a deployed member and also someone who plays an integral role in the in-processing of our members when they come back from DAOR.

In 2005, the 188th Fighter Wing deployed over 400 airmen to 16 different locations around the world. When we deploy members, we deploy members in big groups of 300 or more and we also do it in small groups of two or three and even single individuals. Most of our deployments are these small groups and single individuals. So when



we prepare to provide our members transitional assistance, we go ahead and provide all our members the same service, no matter how big or small the group that may have deployed.

As you may know, the Air Force has Aerospace Expeditionary Force rotations. These rotations allow units to know that they are going to deploy every 15 to 18 months. The unit also knows well in advance where they are going to deploy and how long they are going to be gone, so it makes it easier to prepare for the deployment.

Since we deploy ever 15 to 18 months, it allows us to better provide transitional assistance to our members because we do not have lengthy periods of time in between deployments. Also, since we deploy small groups and single individuals on an almost continual basis to fill the AEF requirements of active duty and other Air National Guard and Air Force Reserve units, we are constantly providing transitional assistance. In deploying these small groups, it also allows more one-on-one interaction in discussing any transitional assistance issues.

To start our transitional assistance for our members, we have meetings with all the key players that are going to provide information in the in-processing. This year, we had several members that had deployed in the past that we invited to the meetings to discuss what they felt redeploying members needed. We also had several members who had just returned from deployments to bring their ideas on what redeploying members needed. Once we developed our game plan, we had several more meetings to hone our processes.

When our members returned home in big groups, we set up an in-processing line. On this in-processing line, we have stations, including finance and medical sections. When members process through the finance station, they fill out their travel voucher and decide whether or not they are going to take their accrued leave. When members process through the medical station, they have blood drawn, they turn in their post-deployment questionnaires and their deployed medical records. These post-deployment questionnaires are filled out in country before they come back home from the AOR, and they ask questions about how your health was while you were deployed, if you visited the medical section while you were deployed, if you had any non-combat related injuries or if you have any concerns that need to be addressed before you return home. This allows our medical folks back home to prepare a little bit in advance for any issues that may arise. They also fill out the paperwork to enroll in Tricare Prime once their orders end and they start their transitional medical care. Family Readiness Group had a table set up where they had VA handouts. We also provided our handouts -- we have a lot of civil service technicians and we provided handouts to them on their benefits for when their orders ended. We also provided handouts concerning awards and decorations as well as DD-214s.



I feel the biggest key to our in-processing for our transitional assistance was to allow our members to see their families as soon as they got off the plane. I will be the first one to tell you, these Army guys sitting next to me, they had it a lot worse than we did. They were kept away from their families. I think that was the key. I know for me when I got off the plane, to be able to see my family right off the bat was very important to me. It allowed me to focus more on what benefits I was going to receive when I was briefed on those.

Like I said, having been deployed this past summer to Karshi-Khanabad, Uzbekistan, I can tell you that our processes work. I can also tell you that there is always room for improvement, no matter what the process is. We try to treat our members the same, whether they go in big groups, come and go in big groups, or single individuals. We have a standardized checklist and we make sure that everybody gets the same benefit briefings, whether they come in ones and twos and have to walk around, or if they come in big groups.

Another advantage that we have in preparing for transition is Air Force MAJCOMs have clear guidance on leave and downtime, so it makes it a lot easier.

Some of the issues we have are when our members are actually mobilized, which does not happen very often, our demobilization process takes too long for the members that want to be demobilized as soon as they come back home. We did not have a doctor present to be able to ask individuals questions as far as what they had on their post-deployment questionnaires for any non-combat related issues. I think we should have had some briefings instead of just handouts on like the VA benefits and stuff like that. And I know in talking to Mr. Gray last night, I know some of the issues were the DD 214s, they need to find a quicker way to accomplish those.

In closing, I would once again like to thank Chairman Boozman, Ranking Member Herseth, Congressman Snyder for allowing me to be here today, and I will feel free -- Senator Pryor, you too, sir, I did not see you walk in -- sorry about that. I will be more than happy to answer any questions you may have at the conclusion.

[The statement of Master Sergeant Peters appears on p. 89]

MR. BOOZMAN. Thank you, Master Sergeant Peters.

I had the opportunity yesterday to visit with a Master Sergeant at the 188th and I had the opportunity to fly in an F-16. The Thunderbirds are going to be there for an air show this Saturday, and I would really encourage all of you to attend, it is going to be a great show. But Colonel Dallas took me for a ride and as we got in the thing, he said you are going to get to see in the air what the Thunderbirds do. I can only describe it as kind of -- it would be like going to a carnival, you know, and getting on the toughest ride you have ever ridden on and then riding it for 45 minutes. It was great. It was a lot of fun and I really do appreciate you all.

We are joined by Senator Pryor. Senator Pryor is very active in working on veterans' issues. He just recently introduced a bill that would take and front-end some of the GI benefits so that they could take advantage of some of the fast-growing things that are going on in our economy, which is an excellent idea, and we certainly will be working with him on the House side to get that accomplished. So we appreciate him and appreciate very much you being here today.

SENATOR PRYOR. Thank you. You want me to say a word?

MR. BOOZMAN. Yes.

SENATOR PRYOR. Well, I want to thank all of you all for being here and all the public for being here. But for all the men and women, active duty, Guard, Reserve, veterans, we just want to say thank you for your service. It really means a lot to this state and certainly this country.

I know that Congressman Snyder and Congresswoman Herseth will agree when I say that the veterans have a great friend in Chairman Boozman here. John Boozman has really gone above and beyond. We have talked in a lot of different contexts since we have both been in Washington about how to help veterans, and particularly the needs right now, given the fact that we have so many Guard and Reserve activated and they are coming back, we are making more active duty veterans every day it seems like.

But again, thank you for doing this, Congressman Boozman. You have shown great leadership and if I may, I would love to ask some questions when the time is appropriate, but thank you.

MR. BOOZMAN. Well, again, thank you for being here. As you can see, this is a very bipartisan committee and when it comes to veterans, when it comes to taking care of the promises that we made in that respect, it is certainly not a partisan issue, it is something that we all agree is very, very important.

Specialist Rothwell.

## SPECIALIST JOHN H. ROTHWELL, III

SPECIALIST ROTHWELL. Good morning, Chairman Boozman, Ranking Member Herseth, Congressman Snyder and Senator Pryor. Thank you for the opportunity to speak here today. I will be sharing a brief description of my time in Iraq and of the transitional assistance I received since returning.

After being out of the military for 13 years, I had the good fortune of being allowed to serve in Iraq with the 39th Infantry Brigade. I was stationed at Camp Taji, just north of Baghdad. My first six months there, I worked in the Operations Center and was a Company Commander's driver. When I came home for my mid-tour leave, Congressman and Mrs. Boozman were kind enough to have dinner with me and my family. In fact, many people showered me with more

attention than I could have imagined, and I returned to Camp Taji recharged.

The last half of my tour, I served in a Counter Improvised Explosive Device Platoon. Our job was to search the streets and highways for roadside bombs. We were honored to patrol downtown Baghdad the day of the historic first election. I would like to mention now that my friend Lyle Rymer was killed while bravely setting up protection for that election. Lyle was a good worker, calm under pressure, quick with a smile. At one point during the election day, my platoon and I were securing an area around a bomb placed by terrorists near another voting site. We were all still in much pain and frustration, as we are today, over the loss of Lyle Rymer. An Iraqi kid that day came over to me and wrapped his arms around my legs and said, "Hey, Mister, I love you." The Iraqi children frequently brought joy to our day and helped remind us why we were there.

When I returned to the United States, I attended many briefings and was very impressed by all the assistance being offered. But I did not accept much help, because my heart was set on returning to Iraq. After being home a couple of months, I began requesting that I be allowed to return to duty. Soon, I was picked up by Bravo Battery 1st Battalion of the 142nd Field Artillery and we began training at Fort Lewis, Washington. In some ways, the training at Fort Lewis was more rigorous than actually being in Iraq. I was still banged up a little bit from my recent tour, but did not want to admit that I was having problems. Eventually, my difficulties reached the threshold that the leaders of Bravo Battery, although they were under-manned, graciously allowed me to stay behind and get help.

I was then enrolled in a new community-based healthcare organization known as CBHCO. This allowed me to come home and be seen by local healthcare providers. Also, many of the people who administrate the CBHCO program at Camp Robinson, Arkansas were with me in Iraq and I will always have a special bond with them. This program has ensured that I get comprehensive medical care. My specific problems have been rapidly identified and treated. If not for CBHCO, I would have had to remain at Fort Lewis 2500 miles from my family for six months. Having the loving support of family and friends has shortened the recovery process and helped me to heal in many ways. Also, I believe this may be of benefit to the military because I am living at home and the Army right now is not having to house me and feed me and provide other housing benefits.

Before CBHCO, I was really fearful that I would be discharged from the military, but now I believe that I have more service ahead and I feel that this program has saved me.

My transition from combat to civilian to training in just a few months' time was stressful, but the Arkansas Army National Guard has my best interest at heart and in time I believe that I will be al-

lowed to return to duty. I know that I went into Iraq thinking one thing and left thinking another. For the most part, the more I got to know the Iraqi people, the more I understood them and cared for them. I am thankful for the opportunity to serve and to be a part of something larger than myself.

Chairman and Committee Members, thank you again for hearing my testimony today.

[The statement of Specialist Rothwell appears on p. 94]

MR. BOOZMAN. Thank you very much. Let me ask a couple of questions real quick. Thank you for your testimony and again, we really appreciate you being here.

A couple of you mentioned a need to present post-deployment briefings earlier. Would another option be to integrate briefings on VA and employment benefits into the normal drill training cycle and then use what is now TAP as a refresher?

Do you understand what I'm saying? In other words, just in the normal course of training, set aside some time at some point. I know in visiting with folks a lot of times when you hear about these benefits is when you're recruited. They do not come up again until this.

Do you have any comments, any of you all, about that as a possibility?

CAPTAIN DESOTO. Sir, I believe it would be helpful, especially like was mentioned before, during the regularly scheduled drill periods following a deployment. I think it would be helpful as far as reminding the soldiers and advising them again a second or third time on what those benefits are, what contact information can be given to them as far as reaching out for any assistance they need.

MR. BOOZMAN. Okay.

1ST LIEUTENANT PAGE. I agree with that.

MR. BOOZMAN. Good. And then you all mentioned that actually doing it prior to getting back. I know there is tremendous pressure, I had the opportunity to go be part of the service when folks were coming back and how moving that is. You know, you have been waiting for a long time and literally, children are born that have not been seen. The tremendous want, as you mentioned -- I mean literally you are getting your physical and the family is outside the door. So your idea is to actually do it in theater before you -- to start it there?

CAPTAIN DESOTO. Yes, sir. The point I was trying to make was that I think that by starting it earlier, it would allow soldiers more time to become familiar with TAP, to know what some of their benefits are, allow them to formulate questions, allow their families to see the program, become familiar with it as well.

MR. BOOZMAN. Okay. Would it be helpful to go -- and again, I am just throwing out stuff. Would it be helpful to go home for a couple of days and then come back and do it? The other pressure I know you

have got is to get back to work; get back in your normal -- would that be something that would be beneficial or not, or would that cause more problem than it would solve?

1ST LIEUTENANT PAGE. I think that would be great. Most of these guys that are over there, for the whole year, they have been living on adrenaline rush and their first concern is just getting back home and being able to relax.

MR. BOOZMAN. How about -- and this is for the whole panel, whoever -- are any of you familiar with members in your units that have owned small businesses, as to how that has affected things?

CAPTAIN DESOTO. No, sir, I did not have any in my unit.

1ST LIEUTENANT PAGE. I know of one soldier that had his own business. I know he just had to put it on hold, he had some people working for him and he just -- it was not growing as much as he wanted it to because he was not there, he was not able to help push it.

MR. BOOZMAN. Thank you very much.

Ms. Herseth.

MS. HERSETH. Thank you, Mr. Chairman. Thank you all for your testimony.

Just to continue along this same line as Chairman Boozman, when we are talking about how important this transition is and the timing of it, now for both Captain Desoto and Lieutenant Page, were you in the same -- were you both together during your tour in Iraq? Did you come back at the same time?

CAPTAIN DESOTO. No, ma'am, we were only together for part of the actual deployment once we reached Iraq. We were nearby, we were both in the City of Baghdad, but we lived at different bases and patrolled different areas.

MS. HERSETH. So when you were coming back, I think that, Captain Desoto, you mentioned that you started getting some information on the transition assistance about a month prior to returning home and then, Lieutenant Page, you mentioned that you were in Kuwait for about a week and a half for a cool down period, but were you receiving any information at that point on any of the transition assistance?

1ST LIEUTENANT PAGE. I do not recall receiving any information at that time.

MS. HERSETH. Okay. But that leads to your recommendation of make some other use of time. In addition to the cool down period in Kuwait, of giving us this information so that when we do get back home, you know, just in terms of the sheer amount of the information you are receiving as well as not the distraction. It may be a distraction for some or a better focus for others, as Master Sergeant Peters was describing, when your families are right there.

1ST LIEUTENANT PAGE. Right.

MS. HERSETH. So I guess my next question is, in addition to integrating this information earlier, before you are returning home, and

making use of some of that time, should the family members, do you think, be involved either over the course of the deployment in getting some of this information or sitting in on some of the briefings? Perhaps they do, when you were at Fort Sill, perhaps the family members, rather than waiting outside, are a part of the classes. Do you think that would be a good idea?

1ST LIEUTENANT PAGE. It could be good and it could be bad. If you have got a family member sitting in there and you have an opportunity to talk about some of the stuff you saw, you may want them to realize what you have been through, but at the same time, you may not want them to know, you know, exactly what you saw. So it could be a good or bad thing.

MS. HERSETH. So it would depend perhaps on the particular class. If it was some of the counseling types of sessions with other soldiers and what to expect in re-integrating with family versus some of the information about which benefits to which you may be entitled and how that affects the spouse or family.

1ST LIEUTENANT PAGE. Uh-huh; yes, ma'am.

MS. HERSETH. Okay. What about follow up. I know the Chairman asked, as he was throwing out some ideas, the idea of integrating some of this information during some regular drill sessions with TAP as a refresher. And then I think one of you had suggested, you know, when you get that information, then in the periods after deployment, right, Jason, of just integrating that?

CAPTAIN DESOTO. Yes.

MR. BOOZMAN. So I think both of those ideas emphasize the importance of follow up and so could any of you maybe talk a little bit about what kind of follow up, whether it be medical needs, whether it be additional information about benefits, I think Jason, in your written testimony you talked about how the chaplains have been very proactive.

CAPTAIN DESOTO. Yes, ma'am.

MS. HERSETH. And Chairman Boozman and I have had hearings in D.C. where we have emphasized to various officials of the VA the importance -- or the Department of Labor, the importance of being proactive. So can any of you maybe elaborate a little bit on your thoughts of the importance of follow up for either medical, physical or mental health needs as well as the follow up of additional information as to which benefits you may be entitled?

CAPTAIN DESOTO. Yes, ma'am. One of the examples I can give you as far as the importance of follow up like you were speaking, we had been told when we received our counseling and our briefings before we completed our deployment that generally most soldiers found that about the six month period after being reintegrated with their families is where they had the most difficult times. Sure enough, I know that through some of my soldiers in my unit that deployed with me

and in my own experience, that that was probably one of the most difficult times, is after you have come back, you have had a small period of adjustment, reintegration with your family.

And about a month ago, we participated in a post-deployment health assessment which was very beneficial. We were able to speak one-on-one with healthcare providers, VA -- you know, asking us if we needed any additional assistance. And like as you mentioned, the chaplains before, they are a constant ready source for everybody in the unit. And I know that all the soldiers in my unit that deployed with me have all taken advantage of them, every single one, whether it is just a one time -- just speaking with the chaplains one-on-one or doing regular type counseling with them.

MS. HERSETH. Specialist Rothwell, could you elaborate on the community based health care organization? Do you know, or perhaps the Chairman or someone else can enlighten me, is this an Arkansas National Guard initiative with the State of Arkansas, or is this -- this has not been something that is a matter of federal policy that we have integrated I do not think. Are you aware?

SPECIALIST ROTHWELL. Ma'am, I first found out about it at Fort Lewis and my apologies, I do not know the details to the program.

MS. HERSETH. Okay.

Specialist Rothwell. There are people here that, administrators of the program, Colonel Clark is here and First Sergeant Wilson is here. I believe they have those answers, ma'am.

MS. HERSETH. Okay, maybe I can --

MR. BOOZMAN. Sure.

COLONEL CLARK. Good morning, Congressman Boozman --

MS. HERSETH. Do you want to come up to this microphone maybe? Thanks.

COLONEL CLARK. My name is Colonel Nancy Clark and I am the Case Management Supervisor for the Arkansas CBHCO program. And what this is, Ms. Herseth, is an initiative that was begun at the end of 2003 whereby soldiers, Reserve Component soldiers, who were not ready to be discharged after they have returned from either OIF or OEF, can -- and still have medical problems that need to be addressed, they can come back and after they have been treated for a period of time, usually at a medical treatment facility like at Fort Hood or Fort Sam, then if they meet criteria, they can come into the CBHCO program, go home and live, receive their care in their local area and they can work in an armory if they are able to, whatever their medical profile allows them to do.

This is a nationwide program. There were five community-based healthcare organizations that were started. Arkansas was one of those, California, Virginia, Massachusetts and Florida. And these programs were started and grew so rapidly that they enlarged it to eight -- added three more, Wisconsin -- I think they added Virginia,



there was one originally in Wisconsin and they added Alabama and I cannot think of where the other one is.

But anyway, this program has provided, such as for Specialist Rothwell, an experience where they do not -- as he said, they do not have to stay on installations while they are receiving weeks and what can run into months of medical care. And so it has been an ideal situation to allow the Reserve Component soldiers the opportunity to be reunited with their families and get their medical care.

MS. HERSETH. Thank you very much, I appreciate the additional information because it sounds like a good idea to integrate everywhere. I am glad that it has expanded, hopefully it can expand so that all states are covered, but I think given the special relationship of Guard and Reservists to their local communities, separate from perhaps, you know, being at a base, I think it is important to be close to family, local healthcare providers that may know the service man or woman from a number of years back.

COLONEL CLARK. Well, yes, that is true, but let me clarify, the 50 states are covered.

MS. HERSETH. All 50 states are covered?

COLONEL CLARK. All 50 states are covered and Puerto Rico. Arkansas has seven states, we cover Louisiana, Texas, Arkansas, Oklahoma, Missouri, Kansas and Nebraska. And each one of those CBHCOs has a number of states that they are responsible for and the soldiers come and in-process at our headquarters and then go back to their home to live.

MS. HERSETH. But it is specifically designed for Selected Reserve soldiers?

COLONEL CLARK. National Guard and Army Reserve, correct.

MS. HERSETH. Okay.

COLONEL CLARK. And they are active duty, they are Title 10 while they are on the program.

MS. HERSETH. Right. So I just want to make sure -- and I do not expect you to have the information, I want to make sure that all states are covered, you know, within one of these regions, that all the adjutants general, you know, have had all the information available to be able to fully utilize this new program that has developed, because if it has expanded that rapidly, I just want to make sure it has been done in such a way that all states are actively participating if they see the need, for some of their soldiers.

COLONEL CLARK. Well, I hope so. I know that there is a liaison officer. I do not know if all states have those through their Guard, their state Guard TAG office, but we have one in Arkansas, I know Missouri does, Kansas. And so hopefully -- it may not be as well known as we would like for it to be, it is very dependent on the medical hold over case management system at the NTS.

MS. HERSETH. Thank you very much.



Thank you, Mr. Chairman.

COLONEL CLARK. You are welcome, thank you.

MR. BOOZMAN. Is it paid for by the state or DoD?

COLONEL CLARK. Oh, DoD. I believe the money came originally through FORCOM, we were under FORCOM in the beginning and just this January transitioned over into MEDCOM and so we're under MEDCOM now.

MR. BOOZMAN. Thank you.

Mr. Snyder.

MR. SNYDER. Thank you, Mr. Chairman. Just one question to Captain Desoto.

When you all were filling out all these forms and doing your screenings and they were asking all the questions, was there scuttlebutt going on amongst other folks, do you think, or that you heard of, was there a sense among some people I think I am just going to slide over this, I am not going to say I am having a problem with my knee or I am not going to tell them about the diarrhea I am still having, because I would just as soon not be delayed here on any kind of medical hold? Was there any kind of -- did you get any kind of sense that we were getting some inaccurate information on some of that history taking because it was occurring before folks had been released to go home and see their family?

CAPTAIN DESOTO. In some cases, sir.

1ST LIEUTENANT PAGE. Yes, sir. I feel like -- I know my company really stressed to get everything notarized for the benefits. So I fully believe everybody gave their honest assessment.

MR. SNYDER. Thank you, Mr. Chairman. I think that is all I will ask at this time.

MR. BOOZMAN. Senator Pryor.

SENATOR PRYOR. Thank you, Mr. Chairman.

One of the things that we have really been working on on the Senate side is trying to make sure that the quality of life of our Reserve Component, the Guard and Reserve, is where it needs to be. And as a result of that, we have been working on some legislation over there. One is something that we just filed in the last couple of weeks in the Senate that I want you all to know about, and I would like to get your thoughts on it. And that is Senator Conrad Burns of Montana and I have a bill that we are calling the VET Act. It is the Veterans Employment and Training Act. And one thing we found, Mr. Chairman, is when you look at the numbers that come out, the economic numbers like, for example, unemployment, that in certain segments of our Guard and Reserve demographics for the country, unemployment is twice as high as it is in the regular population. I think there are some practical reasons for that.

So one thing Senator Burns and I are trying to do is -- well, actually the Department of Labor has already identified 14 areas that are

going to have high job growth in this country over the next few years. In fact, one of those is trucking, which is near and dear to our heart up here in northwest Arkansas. We have a big trucking presence. But there is a driver shortage nationwide.

So what Senator Burns and I are doing is trying to match up training through the VA, job training, through the program that is already on the books called the -- I am drawing a blank on the name right now. It is the Accelerated Payment Program, which is part of the Veterans' Training Employment Service. But the Accelerated Payment Program basically would allow people to train for jobs where there is a need according to the Department of Labor.

So just in your experience and in talking to your friends and people you served with, are they having problems getting jobs and readjusting back into the work force?

CAPTAIN DESOTO. Initially, sir, I believe there were some complications with soldiers.

SENATOR PRYOR. Yeah.

CAPTAIN DESOTO. Especially ones who came back and did not have a job to go to. I know of several soldiers in my unit that took advantage of the benefits that were briefed to us as far as assistance in finding jobs.

SENATOR PRYOR. Good.

CAPTAIN DESOTO. I know of two for sure just within my company that were placed. And, sir, to be honest, any expansion of that area of helping soldiers find jobs once they have returned from active duty would be very, very beneficial.

SENATOR PRYOR. Any other comments?

1ST LIEUTENANT PAGE. I found the biggest problem a lot of soldiers had when they come back looking for a job was they had a lot of expectations once they come back, --

SENATOR PRYOR. Right.

1ST LIEUTENANT PAGE. -- they expected that they could just go right into a job. But it was a little bit harder than that.

SENATOR PRYOR. I know that employers in this area for sure, some of the larger employers in this area, have really worked -- you know, bent over backwards to try to help folks in the Guard and Reserve. I know that has happened nationwide as well. So anyway, as that progresses, we will keep everybody posted and try to get that through the Senate.

Another thing that we have done in the Senate that has actually passed the VA Committee in the Senate, but has not come out on the floor yet and has not gone to the House yet, is the Veterans' Benefit Outreach Act. And what we find, the VA tells us through their statistical numbers and their analysis, is that there is about 600 veterans nationwide that do not access various programs that are available to them. They may not be doing that for a reason, but we also suspect

that one reason they are not is because sometimes veterans do not understand completely what is available to them. So we are trying to be more proactive and force the VA to be more proactive to try to market its services and programs there. And I am sure that you all have had stories of people who probably were entitled to receive certain benefits that they have earned, but nonetheless, they just did not know that was the case. So we are working on that.

Anybody have a comment on that before we go? Yes, sir?

SPECIALIST ROTHWELL. Senator Pryor, if I may mention, we had the opportunity to visit with General Haltom last night, and he had an idea to change the transition a little bit that sounded really good to us. Whereas now we have a compressed briefing on top of briefing and we are really wanting to see our families and then we are just cut loose --

SENATOR PRYOR. Right.

SPECIALIST ROTHWELL. -- he mentioned that perhaps we could stay on active duty -- and forgive me if I get the details wrong, sir. I believe the concept was though, Senator and Committee members, that we stay on duty for an extended period of time, we go home to our families and then at intervals we come in and we have briefings that could be more relaxed and more thorough.

Thank you.

SENATOR PRYOR. That does seem to be a common sense approach on that. I would be glad to listen to General Haltom either today or later whenever he wants to talk about that, because I think that has value in considering that.

Basically another thing that you are entitled to receive, again because you have earned it through your service, is educational benefits. I think that it is hard oftentimes for people in the Guard and Reserve to do that. Many are working at least one full time job, maybe more, they have weekend commitments, they either have to go down and respond to Katrina or they have to go to Afghanistan or Iraq -- I mean, there are a lot of tugs on their schedule and sometimes it is hard to find that block of time where they can continue their education.

Can you all give us any advice on how we can improve that and how we can work with you all better and try to make those benefits more accessible and useable?

1ST LIEUTENANT PAGE. What I said in my testimony was that I thought it would be a good idea to roll all those benefits up on just one single sheet of paper. I know it would be pretty difficult to get all the organizations together to do all that, but I think you would get the soldier's attention a lot better that way, and having a number he could call to ask about the details that that benefit offered to him. Instead of having a pamphlet with all those details, it is just easier for him to see his whole list of benefits.

SENATOR PRYOR. Okay.

Mr. Chairman, I think that is all I have right now.

MR. BOOZMAN. Ms. Herseth.

MS. HERSETH. If I could just follow up on Senator Pryor, since we have you here, since you have been so kind to testify today, some of the initial questions were focusing on the transition assistance, but I am pleased that Senator Pryor also directed his questions to you about the various benefits.

And one of the things that we are exploring, not only today, but that we have had other hearings on, is the education benefits to which you are entitled. And if you feel comfortable either sharing with us from your experience or from the experiences of some of your fellow soldiers in the National Guard, perhaps you could offer us some insight as we look to modernize this benefit, about whether or not you have had discussions about the rate of benefit compared to rising tuition costs. So in addition to some of the just logistical difficulties, given deployments, given other responsibilities of finding that block of time to pursue the degree, have you had any discussions as it relates to concerns about how much the benefit is compared to tuition costs and the flexibility or inflexibility of the benefits, which we are trying to address in different ways with Senator Pryor's legislation, some companion legislation on the House side, to make that flexible. Do any of you care to share with us some thoughts about the benefit, how far it goes in terms of its purchasing power for the types of degrees you would want to pursue or different types of programs where, if it were more flexible, would be more suitable to your interest?

CAPTAIN DESOTO. Ma'am, I do not at this time. I was looking at pursuing my master's degree and seeing what benefits would be available, but with our upcoming -- for Lieutenant Page and myself -- our upcoming mobilization to go back in support of Iraqi Freedom, those have been postponed until we get back.

MS. HERSETH. But you are familiar with the new 1607 benefit?

CAPTAIN DESOTO. No, ma'am, not at this time, not yet.

MS. HERSETH. This is a new benefit that Congress enacted to increase the amount to which our service members in the Guard and Reserve are entitled to finance other higher education, based on the period of your deployment. So we will want to make sure, given that if you are getting ready for your second deployment, that you are likely going to be looking at -- was your first deployment a year?

CAPTAIN DESOTO. Yes, ma'am.

MS. HERSETH. Okay, so your next deployment is going to be another year?

CAPTAIN DESOTO. Yes, ma'am.

MS. HERSETH. So you are going to be entitled to the highest level under this new program. So we would hope that you will -- even though your master's plans are on hold now, that you would fully utilize that benefit to pursue your master's degree and make sure that because

it is such a new program and we will be talking to some of the other panelists a little bit later here this morning about it, that they are being utilized because the information is being facilitated effectively to the soldiers who are entitled to that new benefit.

Thank you Mr. Chairman.

MR. BOOZMAN. Thank you.

Dr. Snyder, do you have any other questions?

MR. SNYDER. Nothing further, Mr. Chairman.

MR. BOOZMAN. Thank you.

SENATOR PRYOR. Mr. Chairman, I did have one more, if I could.

MR. BOOZMAN. Senator Pryor.

SENATOR PRYOR. I am sorry, I think it was Mr. Page who was talking to me about not getting all the information at one time. As I understand it, on the active duty side, when they come back from deployment, they get about a 30-day period, 30-day window, to kind of decompress, to be with their families and get a lot of flex time during that time. To me, it would seem beneficial if you all had that option as well. I know you may have some economic pressure because you may need to get back to your jobs, whatever. But it would seem to me that that would be a good thing for us to explore, to see if that would be workable for the Reserve and the Guard Component. Do you all have any comments on that, after you come back from deployment, have say 30 days to decompress, have a lot more free time?

MASTER SERGEANT PETERS Sir, I can comment as far as on the Air National Guard side of the house. I said in my testimony, the MAJCOMs have specific guidance and it is all based on the number of days deployed, and it varies for a MAJCOM. We fall under Air Combat Command, so on the air side 120 days is about a max deployment. And on the Air Guard, it can be even less. But on the ACC side of the house, if you are deployed for 0 to 41 days, you do not get any per se downtime. If you are deployed for 42 to 83 days, then you get seven days. And 84 days or more, you get 14 days. So you are getting two free weeks there that you just kind of relax, have downtime. But then you also are getting to use your leave too, so depending on how long you are gone, you could have anywhere from three weeks to a month. And it works really good for us, like I said, for a cool down period.

SENATOR PRYOR. That is in the Air Guard?

MASTER SERGEANT PETERS Yes, sir.

SENATOR PRYOR. Is that the same with the Army Guard?

1ST LIEUTENANT PAGE. After all these procedures have taken place, the transition assistance, we do get time off before we go meet up again. The thing is that there are procedures that have to be taken once you come back. I mean you just have to do it. But when we come back, we come back to a base that is four to seven hours away from home, so it is hard to release those troops from there and then have them come all the way back another seven hours.

SENATOR PRYOR. Okay. Thank you, Mr. Chairman.

MR. BOOZMAN. Thank you.

I want to thank the panel for being here. You did a great job, your testimony is very, very helpful and we want to thank you for your service to your country. You did a great job representing your units, so again, thank you very much for being here.

CAPTAIN DESOTO. Thank you, sir.

MR. BOOZMAN. Okay, let us have the next panel then.

While that group comes up, I want to -- as I look out, I see a bunch of our VSO representatives here and I just want to thank you all for all that you have done in pushing things forward. Without your help, certainly a lot of what we get done on the Committee just would not happen. So thank you very much, thank you for being here.

Our next panel consists of Brigadier General Larry Haltom, Deputy Adjutant General, Arkansas National Guard; Mr. Don Watson, Acting Deputy Regional Administrator of Dallas Region, Veterans' Employment and Training Service, U.S. Department of Labor; Mr. Doyle W. Batey, Deputy Director, Arkansas Department of Veterans' Affairs; Ms. Sara Patterson, Education Program Support Manager, Arkansas State Approving Agency for Veterans' Training; Mr. Ron Snead, Deputy Director, Arkansas Department of Workforce Services and in addition, Mr. William Fillman, Jr., Director of Central Area Office, Veterans' Benefits Administration.

Thank you all for being here. Let us start with you, General.

STATEMENTS OF BRIGADIER GENERAL LARRY HALTOM, DEPUTY ADJUTANT GENERAL, ARKANSAS NATIONAL GUARD; DON WATSON, ACTING DEPUTY REGIONAL ADMINISTRATOR, DALLAS REGION, VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR; DOYLE W. BATEY, DEPUTY DIRECTOR, ARKANSAS DEPARTMENT OF VETERANS' AFFAIRS; SARA PATTERSON, EDUCATION PROGRAM SUPPORT MANAGER, ARKANSAS STATE APPROVING AGENCY FOR VETERANS' TRAINING; RON SNEAD, DEPUTY DIRECTOR, ARKANSAS DEPARTMENT OF WORKFORCE SERVICES and WILLIAM D. FILLMAN, JR., DIRECTOR, CENTRAL AREA OFFICE, VETERANS BENEFITS ADMINISTRATION

STATEMENT OF BRIGADIER GENERAL LARRY HALTOM

BRIGADIER GENERAL HALTOM. Mr. Chairman, Congressman Herseth, Congressman Snyder, Senator Pryor; thank you for the opportunity to represent the Arkansas National Guard here to you today.

The location of this hearing we think is most appropriate. This is the home of Battery C, 1st Battalion, 142nd Fires Brigade. This unit

deployed for Iraq on the 18th of March, they have just left after about three months at the mobilization station preparing for their mission. They will spend an additional 12 months in places that may place them in harm's way in support of Operation Iraqi Freedom. At present, the Arkansas Army and Air Guard has over 900 members serving our country in various locations, primarily in the Middle East.

Since 9/11, over 8500 Arkansas Army and Air National Guard members have been mobilized in support of missions such as airport and key asset security; Multi-National Task Force, Sinai; Operation Noble Eagle; Operation Enduring Freedom; and Operation Iraqi Freedom. We recently expended over 120,000 man-days in response to Hurricanes Katrina and Rita. Approximately 85 percent of our members, in fact 87 percent of the Army members and about 75 percent of the Air members, have been mobilized since September 11.

Transition assistance is critically important in our efforts to care for our service members. The effectiveness of any transition assistance program holds significant implications, not only for the service member and their families, but also for the long-term health of our organization. This in turn impacts our ability to support future national, local and state missions.

A successful Transition Assistance Program cannot be just an after the fact process, as we have kind of alluded to in previous testimony. We have learned it must begin with briefings and actions taking place upon unit alert and mobilization. Even before alert, we need to be educating our service members on what is available. Upon mobilization, we conduct a series of readiness processing briefings and training sessions to ensure the members are ready and qualified to enter for active federal service. We try to identify and resolve issues that may have the potential to become problematic for the service member or their family.

While our service members are deployed, we continue to stay in touch and provide assistance where possible. Through our Family Support Program, we have Family Assistance Centers established across the state. The FACs are there to provide guidance, assistance and support to the family members of our deployed troops. Family support workshops are also conducted for spouses and family members, in order to educate them on what to expect from their loved one when he or she returns home. When soldiers and airmen know their families are taken care of, they are better able to focus on their mission in completion and return.

As the deployment in country nears the end of rotation, service members are provided training information on reacclimating back into civilian life.

Upon arrival at the demobilization center in the U.S., the service member receives a brief welcome home ceremony, which has already been mentioned here earlier, and the demob process begins almost



immediately. Normally they get a day or so with the family before this actually begins, but it begins almost immediately.

The demob process is critical, due to some benefits requiring that a member apply before he or she leaves active status. Many staff members from the Arkansas Guard, from active duty installation, representatives from the VA, Department of Labor and other agencies work in this educational process as the soldier is demobbing. We do numerous screenings, briefings and enrollments to prepare the service member for separation from active duty and reintegration to civilian life. As has been mentioned earlier, there is sometimes not a lot of attention paid to those because of the desire to be released and get with the family immediately and spend some time with them.

After the service members have cleared all the requirements from the demob center, they return home to their families, but the demob process does not end here. The next phase is back at home unit and consists of assistance for problems arising from or aggravated by the mobilization. Married service members complete a marital assessment and a voluntary marriage education/enrichment workshop is offered for those who wish to participate. During this period, and for some months afterward, the chain of command actively seeks to assist our service members who have displayed higher than normal levels of stress, those on which we receive reports that they are having problems in their families. Chaplain support during this period is vital. In fact, throughout the whole period, the chaplain support is vital to assist service members with reintegration with their families and aid them in returning to premobilization life.

We have recently hired a State Benefits Advisor to assist with the Transition Assistance Program. This advisor is there to kind of bring all these myriad of benefits together. This advisor, along with all benefits providers and a multitude of service organizations, are there to work with the service member to ensure they are aware of all benefits available. The benefits advisor we think will be an incredible asset in assisting with future mobilizations and demobilizations.

Much has been done by Congress over the past to provide the Reserve Component members Tricare benefits. The Transitional Assistance Management Program is a good example of this, which provides coverage to 180 days for all service members as they return from a deployment. There is Tricare Reserve Select, where service members can purchase Tricare coverage at a very reasonable rate, one year for every 90 days of mobilization. And there is premobilization Tricare coverage that is offered in advance of a mob. These have all been a tremendous help; however, there are still some challenges.

Short-notice mobilizations often deprive the family and soldier of using the advance Tricare benefits.

There are not enough Tricare providers in Arkansas, and I suspect that is a nationwide problem. We believe that possible -- and I do not



know what kind of incentives -- but incentives should be offered for physicians and medical facilities to accept Tricare, to become Tricare providers.

Under TAMP, the 180 days of Tricare coverage after a mobilization ends, does not include Tricare Prime Remote or Tricare Prime Remote for Active Duty Family Members. And that is sometimes a problem.

The Tricare dental program administered by United Concordia has two price schedules, one for active duty and one for Reserve Component members. We feel that they ought to be the same. The Reserve Component price is more than double the active price. Dental readiness is the number one disqualifier when we are mobilizing soldiers.

In March of 2005, the Assistant Secretary of Defense for Health Affairs directed that Post-Deployment Health Reassessments be conducted for all soldiers that are deployed for more than 30 days in support of contingency operations. These assessments are ideally conducted three to six months post-deployment, which is the most likely time frame for issues to emerge.

We were very fortunate to have our 39th Infantry Brigade Combat Team selected as the pilot program for the National Guard. The 39th IBCB began the assessments in November of 2005. We have experienced a 50 percent referral rate from these assessments, with 20 percent being for medical issues only, eight percent being for mental health issues only, and 21 percent having both medical and mental health issues that needed to be referred. Referrals were primarily worked through the VA Hospital, VA satellite clinics and the Vet centers. If no VA system clinic was available within 50 miles, then the soldier was referred through Tricare.

It is important to remember that this was a pilot program for the entire Army National Guard. The VA has worked well with us and has made adjustments along the way and the program is getting better. We believe, however, there are some areas that could be improved:

Funding for temporary case managers and referral managers would greatly improve the program, as caseloads have exceeded our available manpower.

The ability to place soldiers on orders to go to their appointments instead of split training them away from their unit drill periods.

We recommend that PDHRA referrals be worked through the Military Medical Support Office instead of the VA. As I said, VA has worked great with us, but that is not our normal process. So our standard system is to use this Military Medical Support Office. The referral system for soldiers should not differ from normal operating systems.

We believe that conducting the PDHRA is the right thing to do and obviously with the current referral rate, it is a vital program.

Reserve Component members mobilized in past wars and conflicts were left to deal with these deployment problems on their own. The PDHRA provides a viable means for these soldiers to be evaluated and receive needed treatment.

Community-Based Health Care Organizations were established late 2003, early 2004 in an effort to expeditiously and effectively evaluate and treat Reserve Component soldiers that have incurred medical problems in the line of duty while mobilized for the Global War on Terrorism. I think it at least in some part resulted from a perceived disparity of treatment at the active duty medical facilities at that time. There are eight CBHCOs providing case management and command and control for these soldiers while they reside at home, receive local medical care and perform limited duty in local military facilities. The care is provided using Tricare, VA facilities, and military medical treatment facilities.

The CBHCO in Arkansas has already been discussed a little bit. It is responsible, as was stated, for the mid-southern states -- Arkansas, Oklahoma, Louisiana, Missouri, Texas, Nebraska and Kansas. Soldiers in process at Camp Robinson, at the CBHCO there, then proceed to their home of record. They get individualized medical treatment plans for each of them.

CBHCOs provide a great service to our soldiers. Returning home for the remainder of medical care allows reunification with family and friends, allows them to maintain their self-worth while on limited duty, reduces undue financial hardships on families caused by large separations geographically, and provides continuity of care that will be important after they are released from their active service.

To date, CBHCO Arkansas has in processed over 700 soldiers. There have been 218 of those Arkansas Army National Guard and 19 U.S. Army Reserve soldiers from Arkansas. The remainder being from the other states. Without CBHCO, those soldiers would have been in a medical hold status at an active installation in another state away from their family. It is a great program.

The Montgomery GI Bill is a very complicated program with many variations, depending on the subprograms and the service member's particular situation. One of the complicating factors is that each service component manages their program differently. For instance, in the active Army, a soldier cannot use Federal Tuition Assistance and GI Bill together unless the cost of tuition exceeds the funds provided by one program. In the Army National Guard, soldiers can use any of the GI Bill programs and Federal Tuition Assistance at the same time. We see that as a benefit. The Army National Guard views the GI Bill as a program to cover the additional expenses of college, maybe beyond tuition costs.

In addition to the Montgomery GI Bill and Federal Tuition Assistance, Arkansas currently offers the Guard Tuition Incentive Pro-

gram, it is a state-funded program, funded biennially by the state legislature. Currently we are funded at about \$500,000 per academic year. This program provides assistance benefits for soldiers and airmen attending Arkansas colleges and universities at a rate of \$1000 a semester for a full time student or prorated if less than full time. We have about 450 Guardsmen receiving assistance from this program each semester.

In addition to these programs, the State of Arkansas recently formed the Arkansas National Guard Educational Partnership Program with, at this time, 33 partner colleges within the state. These colleges have agreed to waive 25 percent of tuition and fees for the Air Guard, because they do not get Federal Tuition Assistance on the Air side; and for the Army Guard, they waive all tuition cost that exceeds the \$4500 a year Federal Tuition Assistance limit. As I said, we currently have 33 partnership members and this is a great benefit.

Over the last two years, the only recurring issue in the education arena has been a number of complaints about the National Guard's policy concerning after-service benefits. Unlike the active components, members of the Guard and Reserve must maintain membership in order to be eligible for many of these benefits. Although we empathize with the Guardsmen who desire to separate from the Guard and retain eligibility for benefits, we understand that difference is primarily driven by wanting to provide an incentive for them to remain in the Guard and Reserve. So we know why that is there.

Many of our service members are changed for life by their experiences during mobilization and deployment. Transition Assistance Programs are critical to their successful reintegration into society and letting them know that we care about their welfare. Most service members, as mentioned earlier, are not paying attention during many of the briefings during the demob process because they are only thinking of reuniting with their family and going home. Therefore, we believe these programs would be improved by allowing returning service members to remain on active duty at home station for a period of time, possibly prorated based on the time spent deployed. This time would allow closer monitoring of their situation, better education as to what is available to them. In fact, the 90-day post-deployment moratorium on drilling or having them on active duty or in a drill status we feel is actually counter-productive. What we have found is that a lot of soldiers, after five days, a couple of weeks maybe at home, started showing up at the armories voluntarily, drinking coffee together. They were their own best support group. And so we feel like this moratorium may have actually been the wrong approach.

Some needs for support, like Post Traumatic Stress Disorder, may not manifest themselves until much later after the return. For that reason, we need the authority and funding to bring service members

back on duty if needed to officially resolve these late-developing issues.

Thank you for your continued interest in the welfare of our soldiers and airmen. They are true American patriots and they continue -- as you have heard already, we have got folks turning around and going back that have only been home about a year. So they continue to answer the call for duty.

Pending your questions, that concludes my testimony.

MR. BOOZMAN. Thank you, General.

Mr. Watson.

[The statement of Brigadier General Haltom appears on p. 98]

## STATEMENT OF DONALD L. WATSON

MR. WATSON. Chairman Boozman, Congresswoman Herseth, Congressman Snyder, Senator Pryor, thank you for the opportunity to appear before the Committee and discuss collaboration of the U.S. Department of Labor Veterans' Employment and Training Service and our state and federal partners in providing transition assistance to the Arkansas National Guard.

I have been asked to appear before you today to discuss transition assistance for the Arkansas National Guard members returning from the Global War on Terror. As you are aware, our State Director, Mr. Byran Gallup, recently passed away. That was on the first of March, an unexpected heart attack. To complicate matters, our 20-year veteran, who was his assistant, retired in January. So I have been asked to pinch hit today. So here I am. Byran Gallup was a true advocate for veterans in Arkansas and he will be missed by our agency and everyone that worked with him, but particularly by the veterans or Arkansas.

The State of Arkansas has been deploying thousands of Guard members. We have been taking a proactive approach through the Department of Labor, by both doing mobilization briefings and demobilization briefings. That is one of the differences that I have noticed in the testimony. The reason that we are proactive on that basis is because of the Uniformed Service Members Employment and Reemployment Rights Act, which as an agency we enforce. It is important that the deploying Guard members know that they have certain rights and responsibilities under that law before they leave their employment, to ensure that they guarantee those reemployment rights.

On the demobilization end, we have been taking the lead and providing employment and assistance briefings at the demobilization sites that we have been discussing this morning. The briefings are always a team effort between state and federal partners. It includes of course, the Department of Labor, the State Workforce Agency, the Department of Defense, Department of Veterans' Affairs, the Em-

ployer Committee for Support to Guard and Reserve, and others.

In our particular region, we cover 11 states, all the way from Montana down to Texas. We have two major demobilization centers. One is at Fort Sill, Oklahoma, which I believe the first panel mentioned several times; and the second is in Fort Carson in Colorado Springs, Colorado. Our two state directors are very active in the mobilization and demobilization briefing that occur at those sites. We have handled approximately 8000 people over the last 24 months in those two states.

We cover both USERRA and reemployment rights, we cover the Transition Assistance Program on a formal basis. We talk about employment workshops and information on how to access employment and training programs through the local veterans' employment representatives and through the Disabled Veterans Outreach Program, which are state counterparts.

In addition, as a follow up, our two assigned Arkansas staff visited about 18 separate armories in Arkansas to do individual briefings and encourage those National Guard and Reservists to come in and access the state workforce system. I believe my counterpart down here will add to that later in the testimony.

It is estimated that about 30,000 troops, active duty, National Guard and Reserves, family members and friends have attended activities in Arkansas in the last year. Those were statewide celebrations, job fairs, local armory briefings and other public activities. So it has been very, very active in Arkansas.

In addition, each state director that we have in our 11 states has been in contact with the Adjutant General's Office. We are approaching the Transition Assistance Program on an on-demand basis from the Adjutant General's Office. When they need a briefing, we will be there to provide that for them, either with the state staff or the federal staff. As a result of the contacts that we have made at these mobilization and demobilization briefings, we had a total of 37 formal reemployment rights cases that were filed in between 2004 and 2005. It is very interesting to note that 46 of the 47 were Guard and Reservists, so it is the main generator at this point.

We have noted the same challenges that you have been hearing all morning about the troop rotations are sporadic. Each demobilization briefing may contain troops from several states, which makes state-specific briefings difficult.

Federal and state benefits can be complex and the access to those benefits is based on the demographics of where they are returning to, their home of record. For example, here in Lowell, you have the VA Hospital in easy driving distance. But if we have people going back to Wyoming, it may be 150 miles to 200 miles to the nearest VA facilities.

Eligibility for some entitlements are time sensitive. For example,

under USERRA, with the lengthy deployments we have, they have a 90-day window to reapply for their employment. So it is a very time-sensitive benefit that they have and the demob briefings emphasize that.

In response to the challenges that we have been noticing, VETS has ensured that visits to the armories are conducted subsequent to the demobilization briefings. In other words, we do it twice. This allows the individual needed downtime and helps ensure a more receptive audience.

During the briefings, emphasis is placed on the time sensitivity and notifying pre-service employer of the service member's intent to seek reemployment, and service members are provided written material on their employment and reemployment rights and responsibilities, as well as how to access both the USERRA and the e-law advisors.

We heard some comments from the first panel about the complexity of the information being presented. The Department of Labor has been a little bit proactive. We have started a "Keys for Success" through the Employment and Training Administration. This is a new program --

MR. BOOZMAN. Mr. Watson, would you pull your mic a little closer there? They are having a little trouble in the way, way back, if you would pull it right up there close. Thank you, sir.

MR. WATSON. Is that better, sir?

MR. BOOZMAN. Yes, sir.

MR. WATSON. Okay. As I was saying, the Department of Labor has been a little proactive to streamline the information process for the returning Guard and Reservists. We have started a "Keys for Success" program and over 250,000 of these brochures have been distributed. What this actually does is it gives a central contact numbers for all employment and training issues for the returning service members. We have already started the distribution on those, they are basically put out through the Department of Defense and through our formal TAP sites, and we are working on other strategies to get these in the hands of all service members at all the demobilization sites.

Our agency is committed to doing the best we can for every service member that returns from the War on Terrorism.

We are currently preparing for similar activities in Texas where we will have 3500 to 4000 National Guard troops returning at the end of March 2006.

So that is basically the testimony and I would be glad to take any questions.

MR. BOOZMAN. Thank you.

Mr. Batey.

[The statement of Mr. Watson appears on p. 107]

## STATEMENT OF DOYLE BATEY

MR. BATEY. Mr. Chairman, it is a pleasure to appear before this Committee on behalf of the Director James Miller to update you on the efforts of the Arkansas Department of Veterans' Affairs to provide transition assistance to the veterans returning from Operation Enduring Freedom and Operation Iraqi Freedom. With service officers and support staff located in the federal VA regional office at Fort Roots in North Little Rock, hospital representatives located in Little Rock's John L. McClellan VA Medical Center, and at the Arkansas Veterans' Home here in Fayetteville, and most importantly, with county Veteran Service Officers serving in each of the 75 counties throughout Arkansas, the Arkansas Department of Veterans' Affairs offers expert assistance to our veterans.

Our County Veteran Service Officer Program is a major key to our success. In each county, we offer professional advice and assistance free of charge. Not only do we advise our National Guard members concerning their VA benefits, but we also provide information on special employment assistance through the Arkansas Department of Workforce Services, the veterans' preference in state hiring policy and homestead and personal property tax exemptions for those who meet the requirements.

Our County Veteran Service Officers live and work in the community that they serve, allowing for a close, personal relationship between the veteran service officers and the folks they serve. Our agency is somewhat integrated with National Guard, as evidenced by the fact that many of our County Veteran Service Officers are retired National Guard members from the local areas that they serve in. Several of our Work Studies are National Guard members. Upon return from deployments, National Guard units are visited by County Veteran Service Officers in order to raise the unit's awareness of the Service Officer's availability and to provide benefit claims assistance. These close relationships allow National Guard Commanders to often refer troops by name to our Service Officers.

There are several great programs provided by the Federal Veterans Benefits Administration. The Post Deployment Health Reassessment Program, as you talked about earlier, which is part of the Department of Defense, mandated force health protection initiative is applauded by our department. This program has been very favorably received. These are outstanding programs that we use to educate our troops. In addition, one of our department's major goals is to provide continuing support. Many Guard members returning from deployment are anxious to reconnect with loved ones and thus, veterans' benefits are not an immediate concern. By having a County Veterans Service Officer available in each county, we offer a unique service to



the veteran, allowing us to provide one-on-one assistance, alleviating the need for the veterans to return to the Guard unit or to a Veterans' Affairs regional office in order to receive assistance.

The mission of the Arkansas Department of Veterans' Affairs is to provide dedicated service to the veterans of our state, their families and their survivors. Our employees are committed to excellence in assisting with the development of all benefits claims. Veterans are encouraged to take advantage of the professional expertise available through our staff. Our mission is to serve those who have served. The Arkansas Department of Veterans' Affairs furnishes representation for veterans, widows and dependents.

It is our desire to provide all veterans transitioning to civilian life with the resources and services necessary to succeed in the 21st century workforce. Our goal is for every Guard member to experience a seamless transition back to civilian life.

Mr. Chairman, this concludes my testimony. I thank you for this opportunity to testify.

MR. BOOZMAN. Thank you.

Ms. Patterson.

[The statement of Mr. Batey appears on p. 112]

#### STATEMENT OF SARA PATTERSON

MS. PATTERSON. Chairman Boozman, Ranking Member Herseth, Congressman Snyder and Senator Pryor, I am honored to appear before you today on behalf of the Arkansas State Approving Agency for Veterans Training to provide comments on education benefits in Arkansas.

The State Approving Agency's primary task is to approve education programs for the use of the GI Bill. We use the Code of Federal Regulations when evaluating programs and applying criteria for program approval. Many of these regulations remain virtually unchanged since written in the 1940s, and therefore, may not reflect the needs of today's recipients. Education practices and theories have changed over the years, and perhaps now is the time for the rules governing GI Bill education benefits to change accordingly.

Through outreach activities, our three-person office advises potential qualified facilities on how to obtain approval. We also provide information and assistance to military members separating from the service. Most veterans and Guard members erroneously believe that education benefits can only be used at colleges and universities. Monthly participants at the Little Rock Air Force Base Transition Assistance Program commonly show surprise when they hear that they can use their benefits for schools such as cosmetology, barbering, real estate, truck driving and for on-the-job training. The State Approving Agency, through outreach activities, continuously pro-



motes the different methods of using the GI Bill, but progress is quite slow. Veterans do not even know to ask the question when they visit a facility, "Is this program approved for veterans' training?" or "Can it be approved for veterans' training?"

Expensive describes most short-term career-oriented programs such as truck driving. At proprietary schools in Arkansas, truck driving training reflects a 120-clock hour program condensed into a three-week period. The clock hours per week that a student spends in class determines payment allowance under the GI Bill. In this instance, students attend 40 hours per week for three weeks. The current monthly rate for full time school attendance for Chapter 30 Montgomery GI Bill beneficiaries is \$1034 a month, and for a Chapter 1606 Montgomery GI Bill Selected Reserve educational assistance beneficiary, the rate is \$297. For National Guard beneficiaries, the education allowance is quite disheartening.

Truck driving tuition costs range from \$3000 to \$5000, yet students under the GI Bill only receive approximately \$775.50 for Chapter 30s and \$220.50 for Chapter 1606 recipients. This essentially equates to students receiving three-quarters of a month of benefits for full time attendance. As currently applied, this burdens the beneficiary to find alternative methods for funding the remaining financial need of his education. On the other hand, the same beneficiary attending a conventional college program would receive full benefits of \$1034 a month for the length of the semester. One answer to this disparity may be to expand the list of accelerated payment programs to include occupations and professions other than high tech programs. Using the current methodology for accelerated payment programs, the veteran would be looking at a 60 to 70 percent return on the cost of the tuition.

On-the-job training constitutes a rapidly growing method of using benefits in Arkansas. In 2000, we had seven programs with seven beneficiaries in those programs. Now we have 96 OJT facilities approved with currently 133 veterans in those programs.

Chapter 1606 benefits are out-of-system payments, meaning that the payments originate from a different source than other more traditional education payments. It takes months for Chapter 30 OJT beneficiaries to receive their first payment from the processor in Muskogee, Oklahoma. The procedure for 1606 OJT recipients takes much longer. This delay alone makes undertaking the program seriously problematic for the transitioning beneficiary, whose funds normally are stretched due to transitioning and the lack of requisite skills and education to demand a better wage.

When our office receives the OJT paperwork, we then send it to the Muskogee Regional Processing Office. The Muskogee Regional Processing Office then establishes eligibility and inputs the information into the imaging system. That information is then transferred to the

St. Louis Regional Processing Office where payment comes from for 1606s. And as simple as it sounds, it is a long process.

For example, our office sent OJT paperwork to the Muskogee Regional Processing Office on July 21, 2005 for a Chapter 1606 beneficiary in an airframe and powerplant program. As of this writing, which was March 8, 2006, the veteran still had not been paid and his name finally showed up on a March 7 list of paperwork being processed, but again, he had not received any payment yet. Another beneficiary in an apprenticeship lineman program, his paperwork was sent August 18, 2005. His name also finally showed up on that March 7 list from the St. Louis RPO, but again no payment had been distributed.

OJT and apprenticeship training programs are increasing in all states. These programs not only benefit veterans, but they also benefit employers, communities and states. Perhaps one day, this method of payment could be automated. This may greatly improve the processing time, thus distributing monthly payment benefits to the veterans in a timely manner. Since all 1606 claims are out-of-system payments, processing occurs at the St. Louis RPO. Changing the payment process so that each of the four regional processing offices handles their own claimants' paperwork would greatly enhance the response time while reducing the workload on the St. Louis RPO. The Muskogee Regional Processing Office does a commendable job with both OJT and school claims.

Everyone here today has a vested interest in veterans and their training and their benefits. We have to pool all of our knowledge together and refer groups to one another. I find often that does not happen. We must also look for creative solutions and refuse to accept the status quo, a status quo that worked in the 1940s for education benefits. Flexibility and responsiveness will catapult this endeavor into the 21st century.

In closing, Mr. Chairman and Ranking Member Herseth, I would like to thank you and those in attendance today for the opportunity to comment on veterans' educational benefits in Arkansas. We greatly appreciate your efforts to make benefits more flexible and accessible for the proud defenders of our freedom and for those who will follow in their footsteps when duty calls. I welcome the opportunity to address any questions you might have concerning the role of the State Approving Agency and the benefits afforded under the GI Bill.

MR. BOOZMAN. Thank you.

Mr. Snead.

[The statement of Ms. Patterson appears on p. 116]

## STATEMENT OF RON SNEAD

MR. SNEAD. Thank you, Mr. Chairman, Congresswoman Herseth, Congressman Snyder and Senator Pryor.

On behalf of the Arkansas Department of Workforce Services (DWS), formerly known as the Arkansas Employment Security Department, as you may have previously known it, and our director, Mr. Artee Williams, I wish to thank you for this opportunity to address this committee concerning our department's ability to help serve returning military members and their dependents with employment assistance and training opportunities.

First, let me begin by explaining that the data contained in this testimony, when relating to veterans is defined by the Department of Labor as those military members who have served for a minimum of 180 days or more on active federal duty and have not been released with a dishonorable characterization of service, or was released prior to 180 days due to having sustained a service-connected disability. The Department of Workforce Services' information systems list all military members who seek assistance from our department as veterans, as previously defined, in the aggregate. Our information systems do not distinguish between service components or whether the military member was considered National Guard or Reserve.

Currently, there is a wide array of services provided by our agency to all of our clients, veterans and non-veterans alike. Chief among these are temporary wage replacement through unemployment insurance benefits (if deemed eligible), employment referral services, and Workforce Investment Act services. The Workforce Investment Act services are targeted to provide assessment and training that will lead to placement into suitable employment. Specifically, for recently separating military members returning from active duty, these services also include information regarding state veteran benefits that are available to them, educational and vocational resources that are available, assistance with filing claims for service-connected disabilities and assistance with obtaining copies of necessary military records. The specialized staffs within our department, whose primary mission is to serve all veterans with employment services and training assessment needs, are our Local Veterans Employment Representatives, which we call LVERs, and our Disabled Veterans Outreach Program Specialists, or DVOPs. These positions are funded through a grant, as previously mentioned, from the Veterans Employment and Training Service of the U.S. Department of Labor.

As mandated by the Jobs for Veterans Act, our DVOPs serve all veterans primarily by providing core, intensive and referral to supportive services to meet the employment needs of disabled veterans and other eligible veterans, with emphasis directed toward serving

those who are economically or educationally disadvantaged, including veterans with barriers to employment. Our LVERs, on the other hand, primarily conduct outreach to employers, engage in advocacy efforts with human resource hiring executives to increase employment opportunities for veterans, encourage the hiring of disabled veterans, and generally assist veterans to gain and retain employment. Additionally, it is our LVER and DVOP staffs that facilitate and assist with the monthly Transition Assistance Program at the Little Rock Air Force Base. This is currently the only DOL-sponsored TAP workshop within the state.

It is critical that all returning National Guard and Reserve component members attend the TAP briefing once they return from active duty. Particularly, if the members are not job attached, or if they do not have a job waiting for them. This is our agency's primary visibility to obtain a complete list of returning military members who may need employment assistance and/or training.

I think most of you have a couple of charts in front of you. The first chart there shows the entered employment rates for Arkansas as reported to DOL on December 31 of 2005. And for the period of April 1 through March 31 of 2005, we had a 69.5 percent entered employment rate. And what that means, of the 146,000, or over 146,000, people that came into our offices seeking assistance with job placement, 101,584 left with being referred to a job and eventual placement to a job, whether that job or another job. When you compare that to the veterans, the second chart, we are at 66 percent of those who come into our office. I want to make something clear here on those two charts that you have before you. We only have visibility of those that go through the TAP program or those veterans who walk into one of our 32 offices within our state. So, it is not all veterans that we see. As previously stated, we need to do more coordination and we are working toward that end among the different agencies that do have that visibility.

To help reduce the number of unemployed, it is imperative to maintain the employer funded public employment services system. This is particularly true for the rural areas of Arkansas where employers and job seekers rely on the Department of Workforce Services and the local One Stop Centers to obtain information on training and job placement.

The ability to provide job placement and training has a direct correlation to adequate staffing. During the last five years, we have seen a reduction of our veteran staff fall to 28 full-time equivalent positions from a staff of 33. In Arkansas, we have 75 counties and maintain offices in 32 communities. We currently do not have the ability to maintain a veteran staff member in each of our local offices.

However, all of our local offices do include our Wagner-Peyser funded employment service staff, which serves all personnel, to include

veterans. Our Wagner-Peyser staff has also been adversely impacted by budget reductions. Over the past 10 years, we have experienced a reduction of 18 full time equivalent budgeted staff or a reduction of just over 18 percent of available staff to serve the public and the over 66,000 employers in Arkansas. Currently, we have just over 80 full time positions to serve in our 32 local offices across our state.

That said, our agency's pledge to Congress and to the employers and citizens of Arkansas is to bring all available resources to bear, to include personnel and technology, in order to continue providing appropriate employment services and training opportunities to assist job seekers find productive high demand jobs. In that regard, like most states, we have had to rely on improved data systems to assist in helping serve our clients. We now have an automated system that allows all clients the ability to file for initial unemployment claims via the Internet. In addition, we have recently fielded an automated job service system that allows employers to place jobs online and job seekers to self-register and post resumes online. These systems will act as a force multiplier for our reduced staff to continue to provide professional services to veterans and non-veterans. However, continued reductions in Wagner-Peyser funding will have a negative effect on our agency's ability to maintain a presence in our current 32 community locations.

Lastly, in Arkansas, the Department of Workforce Services has a strong relationship with several partner agencies to include, but not limited to, the Department of Economic Development, Department of Workforce Education, Department of Veterans Affairs and a very strong and positive relationship with each of our 10 local Workforce Investment Areas, their boards and One-Stop operators. As a result, returning veterans who need advice and assistance concerning information in regard to high demand occupations and available training assistance need only to visit one of our centers across the state. Together with the service member's Montgomery GI Bill and other resources that are available for the service members and their spouses, the local DWS offices and the local One-Stop Centers are the right places to begin a new career for returning veterans in Arkansas.

Ladies and gentlemen, that concludes my prepared remarks and I am subject to your questions.

MR. BOOZMAN. Thank you, Mr. Snead.

Mr. Fillman.

[The statement of Mr. Snead appears on p. 120]

## STATEMENT OF WILLIAM FILLMAN

MR. FILLMAN. Chairman Boozman, Ranking Member Herseth, Congressman Snyder and Senator Pryor, I appreciate the opportunity to appear before you today to discuss both the role of the Veterans Benefits Administration in administering education benefits through the Regional Processing Offices in Muskogee and St. Louis, and the efforts the Little Rock VA Regional Office has taken to provide transitional assistance for members of the National Guard and Reserves in the State of Arkansas. I have a brief summary of my testimony and I respectfully request that my complete written statement be included in the record.

Today, I am accompanied by Mr. Sam Jarvis, Director of the Muskogee Regional Office; Mr. William Nicholas, Director of the Little Rock Regional Office; and Ms. Francie Wright, the Education Officer at the Muskogee Regional Processing Office.

My testimony will address two topics: the workload and performance trends experienced by the Muskogee and St. Louis Regional Processing Offices and the outreach efforts of the Little Rock Regional Office to ease the transition of the Arkansas National Guard and Reserve members back into civilian life.

Nationwide, the education claims processing workload has increased over the past several years, both in terms of the number of claims received and in the number of students using their benefits. In 2005, VA received over 1.5 million benefit claims, an increase of 5.6 percent over the prior year. The number of students rose to nearly 500,000 in 2005 from 395,000 in the year 2000. From fiscal year 2004 to fiscal year 2005, the St. Louis RPO received 10.9 percent more incoming workload and the Muskogee RPO noted a 7.1 percent increase. We expect that these elevated workload levels will be sustained throughout 2006 and 2007.

Despite the challenges, the RPOs are providing responsive, accurate service to veterans and their dependents. Through the end of the month of February, the RPOs were processing original claims in 37 days, supplemental claims in 22 days and their accuracy rate was 96 percent. Even with the increasing demands for services and the rise in workload, the Veterans Benefits Administration anticipates it will end fiscal year 2006 closely approaching our processing targets of 25 days for original claims and 13 days for supplemental claims.

VBA is actively involved in educating service members about VA benefits, providing claims processing assistance and supporting a smooth transition from military duty back to civilian life.

The Little Rock VA Regional Office has consistently shown its support and commitment to provide a seamless transition for returning military members. In fiscal year 2005, the office conducted 18 Transition Assistance Program and Disability Transition Assistance Pro-

gram briefings at the Little Rock Air Force Base for 669 participants. Today, in fiscal year 2006, the office has conducted 10 briefings for 318 participants.

Employees from the VA Regional Office have also participated in the Welcome Home celebrations for returning troops from Operation Iraqi Freedom and Operation Enduring Freedom. The Little Rock Regional Office is working diligently to ensure Arkansas National Guard members' transitions are as seamless as possible and are doing whatever they can to prevent members and their families from being isolated from access to VA medical care and benefits.

A total of 34 National Guard installations have been visited in Arkansas and the office has made contact with 910 individuals. A total of 377 disability claims were taken during these interviews. Dedicated VA employees took time to listen to the concerns and the views of our military men and women and have stayed at each location until every Guard member who wanted to see them had the opportunity to do so. The service provided reflects the dedication of the office employees to our mission.

Mr. Chairman, we at the VA are proud of our continuing role in serving this nation's veterans, whether that service is in the form of educational claim support or providing transitional assistance to service members eager to return to the communities. We continually evaluate and seek opportunities to improve the quality and scope of our outreach efforts to members of the National Guard and Reserves. I hope that my testimony today will provide you and the Committee with a better understanding of the levels of service currently provided by the Muskogee and St. Louis Regional Processing Offices as well as the transitional assistance extended by the Little Rock Regional Office to the veterans of Arkansas.

This concludes my opening statement. Thank you for the opportunity to appear before you today, and I would be pleased to address any questions you may have at this time.

[The statement of Mr. Fillman appears on p. 126]

MR. BOOZMAN. Thank you, Mr. Fillman.

General Haltom, the 2004 study of Reserve personnel showed that overall, only 14 percent of those re-enlisting consider education benefits as a decision to re-enlist. You mentioned earlier the thinking about the education benefit post-discharge.

Do you personally believe that providing post-discharge education benefits will reduce re-enlistment rates?

BRIGADIER GENERAL HALTOM. This is a guess. I doubt if it would have a significant effect on it.

MR. BOOZMAN. Thank you. The other thing is several witnesses testified today about the complex nature of VA and employment benefits and things. Ms. Patterson, in particular I think you pointed out that



a lot of people that came just did not understand what was going on as far as the education benefits and things.

I guess my question is how do we get that worked out? Do we need to get your to -- in fact, I think something that would be very helpful, Ms. Patterson, and for all of you and I know you hear these questions over and over again pertaining to different things that maybe there is just a particular thing that people have trouble with. If you would give us a list of those questions that are being asked over and over again, perhaps we could get you all together where you could work back and forth to provide that information.

But do you have any other suggestion as to how we can kind of get some of those glitches out that seem to be recurring things?

BRIGADIER GENERAL HALTOM. I cannot think of anything right off, sir.

MR. BOOZMAN. Okay, thank you.

The other thing is, you mentioned the Tricare providers. Do you feel like that is improving or getting worse? Certainly, you can have a great insurance program and I know Dr. Snyder has worked hard on this, I have worked hard on it. You can have this great insurance program, but if there is nobody there to provide it, then it is not much good.

BRIGADIER GENERAL HALTOM. I believe it is improving to some extent. Of course, prior to this latest surge in those who were eligible for Tricare, there was not a real requirement for a lot of these physicians to accept it because there was not anybody in their geographic area that would use it. Through education programs, reaching out to the various clinics and hospitals, it is improving. I do not believe it is where it needs to be.

MR. BOOZMAN. Good. I know we have actually had the folks down here and toured them around and things and that was very helpful. But something that might be helpful to us would be, where the areas of problems are and then we hear through contacts with our office, but again, if you could provide information as to your gut feeling, you know, of where there are problems, then I think the delegation could work together to help sort that out for you.

BRIGADIER GENERAL HALTOM. All right.

MR. BOOZMAN. Mr. Watson, you cite the number of briefings and attendance. What are the results of the work being done via the TAP in terms of putting veterans back to work?

MR. WATSON. The only figures we would have on that would be the ones that Mr. Snead just mentioned to you. The entered employment rate I believe he said was in excess of 60 percent for the veterans that go through the workforce system. On the briefings and the numbers we cite, we really have no way to track those individuals as they leave, particularly at the main demobilization sites, because they go to various states which also leads to tracking issues.

MR. BOOZMAN. Okay, very good.

MS. PATTERSON, I am surprised by the examples of the slow processing that you mentioned.

MS. PATTERSON. So am I.

MR. BOOZMAN. I am surprised, but I am not that surprised.

[Laughter.]

MR. BOOZMAN. Do you have any idea why the RPO has such trouble in processing that type of claim?

MS. PATTERSON. I actually have no idea what takes it so long. I am sure it is a tedious process, but I really have no idea.

MR. BOOZMAN. Okay. Ms. Herseth.

I am sorry. Mr. Fillman?

MR. FILLMAN. Chairman Boozman, I have Francie Wright from the Education Processing Office in Muskogee, she could probably address that.

MR. BOOZMAN. Oh, yes, come on up. You can sit there and grab that mic.

MS. WRIGHT. Thank you very much.

In terms of the OJT benefits that are paid out of the RPO, the length of time it takes is impacted by the fact that it is not made out of our automatic benefit processing system that we use for every other type of education benefit that we administer. In particular, the 1606 OJT has to be passed off from all three other RPOs to St. Louis for payment because of an accounting situation. It is something that we try to overcome, but any time there is any hand offs, it just adds days to the process.

I was really surprised at the example that Ms. Patterson gave on the one from July. Other than the fact that possibly the application itself, not the training package from the State Accrediting Agency, but maybe the veteran's package -- excuse me, Reservist or National Guardsman's application package was not complete. Sometimes those things happen and of course, you know, in those instances, it would take even longer.

But I know that we are all concerned about the time it takes to work the Reservist and Guard OJT payments, but the reason it does take longer is because there is another handoff involved.

MR. BOOZMAN. Okay, thank you.

MS. HERSETH.

MS. HERSETH. Well, let me just come back to Ms. Patterson. The two examples you gave us were both on-the-job training applications?

MS. PATTERSON. Correct.

MS. HERSETH. Okay. And I think if there is a way for this Committee to look into how we streamline this process a little bit more, especially given what you describe in terms of the expansion of the number of on-the-job facilities that have been approved and how many

more service members you have involved and if we look at that in some of the other states, perhaps there is justification here just based on raw numbers to give that a special look.

Let me come back to General Haltom, in response to the Chairman's first question. I am curious to know -- and I know it was just a guess on your part -- but we certainly do not want to do anything to jeopardize recruitment and retention efforts within the Guard and Reserve, but do you say that you doubt that by allowing sort of a post-discharge utilization of education benefits that accrued would have a significant impact on retention -- do you say that because there are other factors that you think are maybe higher on the list in terms of retention, like pay, military retirement, some other issues, and maybe what those other factors would be?

BRIGADIER GENERAL HALTOM. Yes, I do believe there are other factors that are higher on the list. And the fairness of the issue enters in too a little bit, in that if the active component soldier takes their benefits with them when they separate, then it would seem fair to me that the Guard member or Reservist took their benefits with them also when they separate. And it is strictly a guess of mine on whether or not there would be a significant impact on retention. I do not believe there would.

Quite frankly, the biggest thing for retention, in my mind -- and this is strictly anecdotal -- is the desire to serve and to remain with their fellow soldier. That is the biggest.

MS. HERSETH. I appreciate the point that you make, sort of the equity issue. And perhaps one of the ways that we can discuss as we look to modernize and improve the Montgomery GI Bill is -- but at the same time address any of the Guard's retention concerns, even though I think that there are others that I have visited with informally that would cite the same factors you just did in terms of the most important factors to stay -- is that we perhaps look at, you know, a higher rate of benefits if you stay and a lower -- but still especially for the new 1607, based on an activation and deployment, that those benefits have accrued and a desire to use those benefits after the 90 days of service, one year of service, two years of active duty service.

The dental issue here, I live in Brookings, South Dakota and a couple of the colonels I talked to there, when they were getting ready for their mobilizations and activations, told me the same thing in terms of the amount of dental work that was required for the service members before they reached that readiness level. Do you have any thought -- I think we are getting at a broader issue in terms of health-care for all Americans, but any ideas there in terms of what we could do in the future to avoid that issue?

BRIGADIER GENERAL HALTOM. I think I know how we could avoid it, I am not sure how we would pay for it.

MS. HERSETH. Okay, fair enough.

BRIGADIER GENERAL HALTOM. I think that if all military service members, whether they were active, Reserve, Guard, had access to continued Tricare and dental coverage, it would greatly enhance our medical readiness of our soldiers. But there is a bill attached to that.

MS. HERSETH. And anecdotally in conversations you have had with other adjutants general and deputy adjutants general, has this been an issue, just a national issue, just in terms of the dental?

BRIGADIER GENERAL HALTOM. Yes, ma'am, it has.

MS. HERSETH. Okay. Mr. Fillman, you had talked about your outreach efforts. Could you maybe discuss in a little bit more detail how some of those efforts have focused on working with the National Guard and Reserve on the new Chapter 1607 benefits, and how many employees, both in St. Louis and Muskogee, are specifically trained to process the claims for 1607?

MR. FILLMAN. Sure. The guidance for processing 1607 came just -- we got that at the end of February, the combined guidance for the REAP program. St. Louis and Muskogee and the other RPOs at that time conducted training on the guidance that came out. In Muskogee, they have 10 people working specifically the backlog of 1607 cases to get those worked out; and in St. Louis, they have 18 people working those. In St. Louis, since the end of -- they conducted the training I believe it was the last week of February, the first week of March. They have completed 1908 1607 cases. Muskogee has completed almost 900 at that time. So we are working rapidly to get that backlog of claims that had been pending out. So the guidance is there, it is in place and we are rapidly working to get those out and caught up.

MS. HERSETH. I appreciate that. And then your specific outreach efforts are going to maybe be facilitated by this guidance that has been more recently issued?

MR. FILLMAN. Yes.

MS. HERSETH. Okay. Just one last question. Mr. Snead, you mentioned in terms of the partners that you have been working with, the different agencies. Can you just elaborate briefly on your working relationship with the VA's Vocational Rehabilitation and Employment Office?

MR. SNEAD. What we have is our LVERs and our DVOPs and the County Vet Representatives. In each of our DWS locations, as I mentioned to you earlier, we have -- currently 32 offices across the state. Of course, we are fortunate in Arkansas, and we are thankful to have the County Vet Reps in each of the 75 counties to help coordinate our activities. The LVERs, and DVOPs work with them to coordinate activities with the Department of Workforce Education and, I might add, in coordination with our states two-year and four-year colleges that are in those different communities, oftentimes the military member, when they come to us, they do not know all their eligible benefits, as any other non-veteran that comes to us, of what is available out of

our Workforce One-Stop offices.

Sometimes, we can combine the military GI Bill with other funding sources such as supportive sources, if they need transportation, or whatever it may be that they need -- child care is another one -- to help them go to school.

So, it takes all these people working together, knowing each other's programs and benefits to service veterans and non-veterans alike.

I hope I answered your question.

MS. HERSETH. Yes, thank you.

Thank you, Mr. Chairman.

MR. BOOZMAN. Thank you. Mr. Snyder.

MR. SNYDER. Thank you, Mr. Chairman.

General Haltom, several questions. What is the problem with Tricare Prime Remote? You had in your written statement and you referred to it briefly, but what is the problem with Tricare Prime Remote?

BRIGADIER GENERAL HALTOM. I have got to remember the context in which I used that, sir.

MR. SNYDER. It is on page 4 of your written testimony.

BRIGADIER GENERAL HALTOM. If I understand it correctly, under TAMP, the 180 days of Tricare coverage that the soldier is entitled to after mobilization ends is Tricare Standard, and it is not, therefore, available in the Prime Remote during that 180-day period.

MR. SNYDER. So it impacts some members but not all.

BRIGADIER GENERAL HALTOM. Yes.

MR. SNYDER. Okay. Congresswoman Herseth brought up the dental issue and, you know, we saw that all over the country, that one out of five of all our Reserve Component forces that were mobilized were not medically fit for service. Not just for dental, but for all reasons. When you think about that, these are people who have been coming to drill every month maybe for years, we think they are ready and then they all got screened and one out of five in the richest country in the world were not medically fit for deployment for military service. I think that really has to be a wake up call. I think the problem is what we are asking to do is for the military to solve a problem that the civilian side and the private side has not solved, which is how do we pay for healthcare. And we can go all throughout Arkansas and find all kinds of people in the Guard or out of the Guard that have dental problems and medical problems and lack of health insurance to pay for them. So it is a national problem, but I am hopeful that -- you know food stamps came about because people who were drafted were coming in too skinny and under-nourished, and maybe this has been a wake up call, what has happened in the last few years, that we have got to solve this issue of lack of health insurance and dental health insurance for our own selfish national security reasons, because it hurt us and continues to hurt us in these mobilizations.

The issue of the providers is a frustrating one. I know Dr. Schwartz and I, who is another physician member of the Armed Services Committee, sent a letter nationally that was published by the AMA and just basically pleaded with people, we know there are problems with Tricare, but sign up anyway if you can. But it is an issue and I wish it was one that we did not have right now.

I would like your comment on the 50 percent referral rate. Were you surprised when -- those figures have gotten some attention nationally. What was your personal view as somebody who had several thousand troops overseas?

BRIGADIER GENERAL HALTOM. I was surprised that it was that high. We expected what I would have considered high, 25 percent.

MR. SNYDER. Right.

BRIGADIER GENERAL HALTOM. It was much higher than what we thought it would be. I think it is a reflection in our case -- and I can only look at our case -- I think it is a reflection of where our people were and what they were doing and the impact that it had on them.

MR. SNYDER. General Haltom, one of the issues that has come up in these discussions the last months, and Congresswoman Herseth mentioned it too, is the different impacts of the GI Bill in the Reserve Component and the Active Component. To me, one of the most strikingly unfair aspects of it for the Reserve Component soldiers is if one of your Guardsman has a six-year enlistment and is activated his or her last two years, but then decides not to re-enlist, they get no educational benefit at all. Now we cannot feel good about that.

BRIGADIER GENERAL HALTOM. No.

MR. SNYDER. I mean that is just terribly unfair. Another issue that has come up is, as you may know, if somebody is in the Active Component and enlists, in order to participate in the Montgomery GI Bill, they have to pay \$1200 their first year, which is a significant chunk of pay, you know, if you are an E-1 just coming in. I have a bill, as do some others, and there is some interest in just eliminating that \$1200 and just say if you join the Active Component, you are entitled to the benefit if you complete your service and all, whatever the criteria are. We had a hearing last week in Washington that you are probably familiar with, on the GI Bill and at the end of it, the Chairman, Chairman Boyer, was asking the panel of Reserve Component officers and representatives, looked at it the other way. Well, if you are concerned about the Reserve Component benefit and think there should be a better benefit because it has dropped off, we have increased the Active Component benefit, the monthly pay, but not the Reserve Component, should you not be advocating for, in his words, putting some skin in the game, having some kind of a monthly payment from the Reserve Component forces, which I think is an absolutely terrible idea. I think we need to get rid of the \$1200 from the Active Component and not think about somehow requiring some kind of a monthly

payment from Reserve Component members to join. What is your feeling about that way of dealing with that issue?

BRIGADIER GENERAL HALTOM. Well, I agree totally with your analysis of it. Requiring a monthly fee from the Reservist would have the effect of further reducing participation in the program.

MR. SNYDER. Right.

Mr. Watson, you brought up something in both your written and oral statement that I had not thought of before, which is when we talk about, like the suggestion earlier that this demobilization ought to be done in Kuwait and all the discussions of benefits as much as could occur there. But then you pointed out that one of the problems is that people are from multiple states and every state has really tried to step forward and we have different tax treatment, different educational benefits, states have stepped forward trying to provide benefits. It can make a debriefing kind of weird when you basically are going to tell people now when you get back home, be sure and talk to your own state representative because your law may be different. I had not thought of that before.

Do you have any further comments on that?

MR. WATSON. Well, it is a common problem, sir. A lot of your states have state veterans' benefits available. For example, my home state of Texas has low-interest loans for housing and land purchases. If they are disabled veterans, they have free license plates, free hunting and fishing licenses, and as soon as you go over the border into Oklahoma, it changes. And it is very difficult to do those briefings. What we encourage at our briefings is to make the contact through the local One-Stop or the Employment Service that Mr. Snead represents, with the LVERs and DVOPs. What you tend to find is the local representative knows the easy access points, they have the good referrals for both state and federal benefits in the local area, and the demographics plays a large role in it too. If you are out in west Texas, you have to go through the County Service Organizations such as Mr. Batey here next to me represents. Those local representatives are the experts, they know the easy way for the service member to access benefits.

MR. SNYDER. Ms. Patterson, I appreciate your participation today and your comments. I was struck by one of your conclusions that we need to refuse to accept the status quo. We had an interesting hearing last week in Washington where -- I don't know, John, I guess there was a panel of about eight or nine people at that hearing, but the first two were the Assistant Secretary of Defense, Mr. Hall, for Reserve Affairs and the other one was Mr. Carr, the Deputy Undersecretary of Defense for Military Personnel Policy. And in both their written and oral statements, they stated that "There are no significant shortcomings in the GI Bill." I was suspicious that there was some coordination in statements there. I sensed a good OMB scrub-



bing of their statement before it came before us.

[Laughter.]

MR. SNYDER. Because then right down the line of the general officers who are in charge of these programs, they brought out the kinds of things that have come out, how the Reserve benefit has dropped off because the Armed Services Committee has not done anything to deal with it while the Veterans' Committee has raised the benefit for the Active Component. And so, I mean it was very clear to me that there are significant shortcomings of the program and I appreciate your comment that you think we should refuse to accept the status quo, which I think is the mood of the members of this Committee that are here today.

And you specifically mentioned the benefit for the Reserve Component, the \$297 a month I believe, as, in your words "disheartening".

I have a sister who her hobby now is going to garage sales in a town where a college is and buying used textbooks and put them on the internet. And \$297 -- I could easily find places where \$297 would buy you two textbooks, with the cost of textbooks.

MS. PATTERSON. Right.

MR. SNYDER. That is disheartening if you think you are getting some big benefit for having served in the National Guard or the Reserve forces.

I think those are all my questions at this time, Mr. Chairman. I appreciate all your participation here today.

MR. BOOZMAN. Do you have anything else, Ms. Herseth?

MS. HERSETH. No.

MR. BOOZMAN. Okay, thank you, panel, very much. We appreciate all you do for the Armed Services.

Let us have our next panel.

Dr. Snyder has one additional question real quick.

MR. SNYDER. Mr. Fillman. I am sorry, Mr. Fillman, may I ask you one more question?

MR. FILLMAN. Sure.

MR. SNYDER. Because in the next panel is Mr. Steve Kime and one of the things that he says is that "Perhaps the single most important material element needed to bring the administration of the GI Bill into the 21st century is high tech expertise and equipment." And he states that the education program does not enjoy high priority in the Department of Veterans' Affairs. What is your comment? I do not know if you had a chance to look at that statement, that there is a great need for high tech expertise and equipment.

MR. FILLMAN. I think the shortcoming is probably the interaction between the VA and the Department of Defense on getting the information that we need in a timely manner to be able to process a lot of these claims.

For example, in the Guard and Reserve program or in some of the programs, we are dependent upon the military to tell us the eligibility of the people. And sometimes that is very difficult to get. We have to go to each of the branches. Some branches are receptive and give us the information. Other branches are not. So if there was more interaction, access where we could get the information on our own, I think we would tremendously improve the timeliness of the benefit.

MR. SNYDER. Thank you, Mr. Chairman.

MR. BOOZMAN. Let us take a two minute break.

[Recess.]

MR. BOOZMAN. The meeting will be in order.

Our final panel is Mr. Jim Bombard, Chairman, Department of Veterans' Affairs, Veterans' Advisory Committee on Education; Colonel Robert F. Norton, Co-Chair of Veterans Committee, The Military Coalition; Mr. Don Sweeney, Legislative Director, National Association of State Approving Agencies; Dr. Steve Kime, Immediate Past-President, Servicemembers Opportunity College and former Vice President of the American Association of State Colleges and Universities; Representative Joyce Elliott, Arkansas House of Representatives, District 33, Director of Advanced Placement Field Initiatives, The College Board; Mr. David Guzman, Legislative Director, National Association of Veterans Program Administrators and Mr. Keith Wilson, Director, Education Service, Veterans Benefit Administration.

Let us start with Mr. Bombard.

STATEMENTS OF JIM BOMBARD, CHAIRMAN, DEPARTMENT OF VETERANS' AFFAIRS, VETERANS' ADVISORY COMMITTEE ON EDUCATION; COLONEL ROBERT F. NORTON, CO-CHAIR, VETERANS COMMITTEE, THE MILITARY COALITION; DON SWEENEY, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES; DR. STEVE KIME, IMMEDIATE PAST-PRESIDENT, SERVICEMEMBERS OPPORTUNITY COLLEGE, VICE PRESIDENT (RETIRED), AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

#### STATEMENT OF JIM BOMBARD

MR. BOMBARD. Chairman Boozman, Ranking Member Herseth, Congressman Snyder, Senator Pryor, I am pleased to appear before you today on behalf of the Veterans Advisory Committee on Education to provide comments on two interrelated issues. First, the Committee's findings and recommendations on improving the flexibility and administrative efficiency of Title 38 and Title 10 education programs. Second, the Advisory Committee's findings and recommendations on

restructuring the GI Bill.

The Committee, upon review of the claims processing system believes an overhaul of the management philosophy that underlies the collection and manipulation of data should be accomplished. This overhaul may require legislative action, which the Committee recommends the department initiate.

It is clear that funding for information technology for the Veterans Education Service within the VBA is inadequate and that much needs to be done to make hardware and software improvements that will streamline VBA's ability to absorb and manage the data it requires. Updating the IT systems associated with the payment of educational assistance benefits should be a top priority.

With regard to program flexibility, the Committee has in the past made a number of recommendations designed to increase program flexibility. Among them, accelerated payment without restriction, expansion of test reimbursement, removing or extending the delimiting date, equalizing the benefit for OJT and apprentice in relationship to the IHL and NCD education and training programs, and remove restrictions on wage progression for municipal employees who are receiving OJT benefits under the GI Bill.

The Committee believes that the Education Service in conjunction with Congress can create a flexible program and an efficient claims processing system by accomplishing the following:

- Restructure the GI Bill, adopt a Total Force policy.

- Adopt a new philosophical approach to claims processing which streamlines the process.

- Create a synergistic relationship with Congress in order to ensure feasibility and support for any additional programs associated with the GI Bill.

- Improve information exchange between DoD and DVA.

- Invest in state-of-the-art IT systems. Adopt the TEES system, which is the education expert system which has been proposed for the VA for the last five or six years.

- Hire additional staff to do claims processing or at a minimum maintain budget direct FTE support. That's one of the biggest problems. The VA Education Service has some fine people. A lot of the resources are being drained away from them and they have an inability to implement efficient and effective claims processing systems.

With regard to the Total Force, the Advisory Committee recommended a fundamental change to the structure of the Montgomery GI Bill and put forth a framework for a new GI Bill that reflects the realities of the Total Force policy.

Both the Active Duty and Selected Reserve programs share the same name and are part of the same legislation, but they have different purposes. The Active Duty program revolves around recruitment, transition and readjustment to civilian status, while the Sel-

Res program is designed to promote recruitment and retention, with no regard for readjustment or transition.

The current GI Bill programs did not consider DoD's use of the SelRes for all operational missions. Under this policy, the SelRes and some members of the Individual Ready Reserve are considered integral members of the Total Force. Reserve members who are faced with extended activations require similar transition and readjustment benefits as those separating from the Active Duty.

For this reason, the Advisory Committee recommended replacing the separate GI Bill programs for veterans and reservists with one program that consolidates the GI Bill programs under one umbrella, Title 38. This will add value to the Montgomery GI Bill as a recruitment and retention tool for the Armed Forces, including the National Guard and Reserve, establish equity of benefits for returning Guard and Reserve members; support Congress' intent for the Montgomery GI Bill and potentially save taxpayers money through improved administration.

This concept would provide Montgomery GI Bill reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve, a Montgomery GI Bill active duty three-year rate, a pro rata SelRes rate or Sel Reserve rate and a SelRes activated rate, which is equivalent to the active duty of one month of benefits for one month of service on active duty.

The Total Force proposal provides a unique opportunity to create a comprehensive GI Bill that is both fair and simple. Its eloquence is its equity and its simplicity.

I have been testifying to restructure the GI Bill for longer than I would like to remember, the first time when Tiger Roland Teague was the Chairman of the Veterans Affairs Committee and the question that is always raised is can we afford it. Well, I do not think we can afford not to.

In closing, I would like to thank you for the opportunity to present the Advisory Committee's recommendations and views in this regard. Thank you.

MR. BOOZMAN. Thank you very much.

Colonel Norton.

[The statement of Mr. Bombard appears on p. 131]

## STATEMENT OF COLONEL ROBERT F. NORTON

COLONEL NORTON. Thank you, Mr. Chairman, Ranking Member Herseth, Congressman Snyder. On behalf of the 36 members of The Military Coalition, I am very pleased to offer our testimony on the Total Force Montgomery GI Bill, and my written statement also addresses the TAP program.

I did have a prepared statement here today, but I thought it might be appropriate to follow up on some of the themes that have already been addressed here by earlier panels.

First, Congressman Snyder, I really appreciate your engagement on this issue because I see you and other members who serve both on Veterans' Affairs Committee and on Armed Services as really key on this issue of restructuring the Montgomery GI Bill.

The reality is -- and I think it is really important for the members of the National Guard here in this armory today, as well as the general public and lawmakers, to understand that the Montgomery GI Bill is a house divided. As Congressman Snyder pointed out, the Reserve GI Bill program is operated under the jurisdiction of the Armed Forces Committee and the Active Duty GI Bill, ironically, is under the Veterans' Affairs Committee. Now that may sound like an academic kind of Washington, inside-the-beltway issue. But the reality is that the Defense Department has not endorsed any significant changes in the Reserve Montgomery GI Bill since before 9/11. I will offer two examples.

Number one, the benefits for initial entry into the National Guard or Reserve. Back before 9/11, those benefits paid roughly 50 cents to the dollar for the Active Duty GI Bill. Today, if that ratio were still in play, an Active Duty soldier who enlisted in the Army, for example, would earn as a veteran \$1034 a month for his GI Bill benefits. The Reservist would have under that 50 percent ratio, about a \$500 per month benefit. But since 9/11, that benefit has dropped in proportion to the Active Duty program from \$500 to about \$297. The members of the National Guard here who have served their country honorably and selflessly gone into harm's way deserve better treatment. It is not fair and it is shameful that this nation cannot do better by them in terms of the Montgomery GI Bill.

The second issue relates to what, Congresswoman Herseth, you brought up. I think there is a real strong linkage here on the Transition Assistance Program to the Montgomery GI Bill. You brought up the Chapter 1607 program, the brand new program that Congress enacted two years ago for members of the National Guard and Reserve who are called up. They receive a mobilization GI Bill benefit for their service on active duty. And it really surprised me and disappointed me and I know it disappoints members of The Military Coalition to learn that, that none of the four members of this panel,

members of the National Guard, who had served their country, did not even understand or know about this benefit.

And let me illustrate that. If a young man or young woman graduated from Rogers High School, joined the National Guard in 2002 and then, as I understand it from talking to some of the Guardsmen here this morning, were called up and they have deployed this year, March 2006. So under the example, this person has already served about four years. They come back, after perhaps a 15-month tour next June, June 2007. Because of that 15 months of active duty, under Chapter 1607, they have earned a \$22,300 GI Bill benefit for their service to the nation. They can use it for college, they can use it for job training, they can use it for high tech courses. Obviously these four young men really did not even know about that benefit, but more troubling, let us say that in the example I used, the person who joined out of Rogers High School in 2002 comes back next June, that is five years, and then they complete their service and they decide they want to go to the University of Arkansas in Fayetteville full time when they complete their service in June 2008. They have basically one year from their return from deployment to use \$22,300 under the GI Bill. They cannot use all of that benefit. Barely would they be able to use even a portion of it when they separate.

Now the Coalition is certainly not recommending that anybody get out of the National Guard, but as you pointed out, Mr. Chairman, the issue here is not a question of their motivation. I think General Haltom pointed out that these great young men and women stay in the Guard, stay in the Reserve, stay on active duty for a variety of reasons. And to make the GI Bill benefit a matter of compelling them to stay in the Guard is not what they are all about. They will stay because they want to serve. They will not stay just because of the GI Bill. And whether they complete their service in two years or 10 years, they should be able, as was pointed out earlier, to take their benefits earned from active duty with them into civilian life and have the same 10-year usage period. So the Coalition would recommend a complete restructuring of the GI Bill, and it will be critical for the Armed Services Committee and the Veterans Affairs Committee to get together to make this happen. We agree that the programs under the Reserve side should be transferred over to Title 38. We have much more confidence that the Veterans' Affairs Committee can structure the GI Bill in proportion to the service rendered and also to provide a very needed readjustment benefit.

Finally, on the GI Bill, I would just point out that there has been a lot of interest in improving the flexibility of the delivery of the benefits, say for long haul trucking courses and other than high tech. In other words, accelerated use of the benefit. And that is a wonderful thing and certainly we in the Coalition fully support that. Of course, again, the problem is, using the example that I gave earlier, that if

you complete your service and you get out of the National Guard or the Reserve, you leave all of those benefits from mobilization on the table, and the flexibility frankly is not there. So the reality is that the Montgomery GI Bill is a house divided. We need to create a single architecture for it and we need to make sure that these fine young men and women who serve in the Arkansas National Guard -- presently there are 919 on active duty here in the state, 118,000 reservists nationwide on active duty, and since 9/11 more than 525,000 have served on active duty in the War on Terror, including in that number about 70,000 who have pulled two tours of duty. They deserve a better deal under the Montgomery GI Bill and we look forward in the Coalition to working with the Committee and working with the Armed Services Committee to make this happen as soon as possible.

My statement also comments on the TAP program and I would be happy to address that during oral Q&A.

Thank you, Mr. Chairman, for this opportunity to present our views.

MR. BOOZMAN. Thank you, Colonel Norton.

Mr. Sweeney.

[The statement of Colonel Norton appears on p. 146]

## STATEMENT OF DON SWEENEY

MR. SWEENEY. Chairman Boozman, Ranking Member Herseth, Congressman Snyder, I am very pleased to appear before you today on behalf of the National Association of State Approving Agencies to comment on ways to make VA education benefits more flexible, ease the administration of the benefits for colleges, universities and students, and also present our views on the Total Force Montgomery GI Bill proposal.

As a founding member of the Partnership for Veterans Education, the Association is proud to support the Total Force GI Bill proposal. As we state in our written testimony, it is an idea whose time is overdue. The security and the future of our nation are hinged upon the efforts and successes of the one percent of our population who put their lives on the line for the freedoms that we all so thoroughly enjoy. They deserve no less from the rest of us than to be provided with the best possible programs and services to ensure that they can continue to strive to be the leaders and the builders of tomorrow.

As my colleagues have and will continue to say here today, a Total Force GI Bill is a relatively simple idea, but far reaching. It simplifies the administration, which should bring efficiency and cost savings to the federal government and it creates equality for those who serve on active duty from the Selected Reserve forces -- equal opportunities and benefits for equal service rendered.

We offer several recommendations on way to make VA's educa-



tional assistance programs more flexible. First, however, we would like to commend the Congress on its achievements. Much has been done in recent years to provide service members, veterans and other eligible persons with greater opportunities to use education and training benefits which they have earned. Yet, the very nature of today's learning environments and the ever-evolving global economy demand that we continue our improvement efforts to ensure that the programs remain viable. In our view, the GI Bills should be the premier educational assistance programs in the country, bar none -- let me repeat -- bar none.

In the written testimony, we offer eight recommendations ranging from relatively small revisions in law to ones which will have significant impact on the ability of veterans to use their GI Bill benefits. I will quickly highlight three of them in my remarks, summarize the other five and close with suggestions on how to ease the administration of the benefits.

Our first recommendation recognizes the need for lifelong learning and offers wording for the incorporation of the principle into Title 38 by way of revisions to Section 3452(b) and (c). You will see in the written testimony (c). As of last night, it occurred to me that (b) needs to be there as well. It expands the provision to all professions, vocations, and occupations, recognizes that a single unit course or subject may be all that a veteran needs in order to obtain, maintain or advance in an occupation or profession. And, it provides for the use of benefits while enrolled in a subject or combination of subjects without requiring a connection to a license or a certificate.

Our second recommendation is in line with the first -- create a task force of representatives from Congressional Committee staff, the VA and NASAA to establish a new set of approval criteria, possibly a subsection (e) under Section 3676 of Title 38, for the purpose of approving the kind of course pursuit described in the first recommendation. Criteria that would ensure the quality and integrity of the learning experience and simultaneously not impose unnecessary requirements on the school or entity.

Our third recommendation is to revise Section 3014A of Title 38 to allow accelerated payment of basic educational assistance for education leading to employment in industries other than high technology, but place limitations on the length of such programs for use of the provision. The recommendation is already partially addressed in H.R. 717.

At this point, I would like to summarize by topic the other five recommendations mentioned in the written testimony.

We recommend removing unnecessary approval criteria such as the period of operation rule and the requirement for a pro rata refund policy in specific situations.

We recommend modernizing approval criteria for correspondence

courses in terms of the minimum length of the program and the length of the affirmation period and then suggest increasing the percentage of the educational assistance allowance payable.

We recommend providing use of benefits for remedial or deficiency courses offered through online education.

And finally, we recommend maintaining the current rate of benefits for job training programs that expire on September 30 of 2007.

We conclude our comments today with recommendations regarding ways to expedite the VA systems for processing the payment of VA educational assistance benefits. They are at a macro level, but important to note. We really encourage the Committee to assist the Department, as already has been stated here today by the two other speakers, in its efforts to provide sufficient funding for the improvement of technological assistance associated with the payment of VA educational assistance benefits, especially apprenticeship and OJT programs. It is our understanding that there is strong competition for funds within the VA for technology improvements, so any help that the Committee can give to support the needs of education services would be greatly appreciate.

We also encourage the Committee to support other initiatives by the VA to streamline its processing systems, such as the capacity to accept electronic signatures on veterans' application forms and other forms used by the Regional Processing Offices.

In closing, Mr. Chairman, I would like to thank you again for the opportunity to comment on the Montgomery GI Bill Total Force proposal, ways to make VA's education benefits more flexible and ways to ease the administration of the benefits. We very much appreciate your leadership and the efforts of the Committee to make improvements in these programs. I would be very happy to respond to any questions that you might have.

MR. BOOZMAN. Thank you, Mr. Sweeney.

Dr. Kime.

[The statement of Mr. Sweeney appears on p. 157]

## STATEMENT OF DR. STEVE KIME

DR. KIME. Mr. Chairman, Ranking Member Herseth and Congressman Snyder, it is a real honor to be here in America and I cannot think of a more appropriate place to hold a hearing like this, particularly when you think about the Total Force GI Bill concept -- it is the perfect place.

I come to you today as a 31-year veteran and as an educator both and I bring with me proxies from all of the major national higher ed associations -- the American Council on Education, the land grants, state college and universities -- representing just about every student in the United States, including the independent colleges and univer-

sities. I could list them all, but I do not want to waste my time here doing that.

The important thing for you to understand in that sense right there is that all of them have coordinated very carefully on the Total Force GI Bill concept and support it, as members of the Partnership for Veterans Education. These are the people who invented and supported the concept of a benchmark for the GI Bill, I am sure you have heard about, to make it equal to a four-year public college education. I am here to remind you that you are only 60 percent of that benchmark, or so, today. Not that this Committee and not that the Congress has not tried and deserves credit for darned good work, because I think you have made a lot of improvement. But if you think about this, you are at 60 percent of that benchmark today and the Reserve and Guard is only getting 28 percent of that 60 percent. So not only has the proportion gone down, but the absolute commitment about how much of a four-year public college education are you going to fund has also taken a big hit in the last three or four years. And that really truly needs review. And all of higher ed is on board with my comments on this. Like I say, I very carefully coordinated it.

There has been progress, as I said, in your attempts to do something about the Active Duty service member and their attempt to get an education, even though the harder you try, the farther behind you get. You have not done nearly as well, Congress has not done as well as they should, with the Reserve and the Guard. The fact of the matter is that the GI Bill has not kept pace with modern U.S. national strategy and U.S. national deployment policies. We have a new strategy, we have a new deployment policy. Ever since I was a kid, we have talked about total force. Well, now we have really got a total force strategy. Now we have really got a total force deployment policy. We do not have a total force GI Bill. We have a GI Bill that is spread out too far in too many places and has enormous inequities in it.

In fact, what you have done lately with 1606 and 1607 is simply a well-intentioned -- a very well-intentioned -- bandaid on a sucking chest wound. It does not cut it. There needs to be a total force GI Bill that truly embraces the national strategy and the deployment policy that we have. And it is time to get all of this together in one place. It must be done under Chapter 38. I know it is going to be hard and I know that a lot of Reservists and Guard people who want to keep control of this money are not going to like it. But it all needs to be in one place. I was, by the way, very impressed with the General's answer today. He had that right on about retention. Do not let them tell you that, it is nonsense, it will not affect retention. You do the right thing and it will pay off.

Now to shift gears here a little bit. Modern adult and continuing education, since I am supposed to represent higher ed here, remem-

ber that that applies to everybody. Modern adult and continuing education includes truck driver schools, it includes technology courses and it includes all of the academic courses. And it applies to the total force. These people that go out there from the Reserve and the Guard need adult and continuing education assistance as much as active duty people do.

Now philosophically -- and this is what has been missed -- there is no readjustment benefit, as Colonel Norton said, for the Guard and Reserve. Well, if you apply modern adult and continuing education concepts to the Guard and the Reserve, you have to change your thinking about this. It applies to them. They need continuing education and continuing updates and they need access to the benefit they have earned by being shot at. They need those benefits until they can get themselves back and readjusted into the economy. That is important. So the whole purpose of the GI Bill for the Guard and Reserve needs to be rethought. It is wrong right now.

Now I would like to turn my attention a little bit to administration. I have comments to make about administration of the GI Bill that are not pretty and I wanted to be sure that you understand that these do not apply to the people that I have met. As Chairman of the Committee for a long time, I have been to these regional offices and I have talked to hundreds of people in the Veterans' Administration. I have found very few that I would not say were first class and many of them veterans themselves, working very hard. The problem is you have great people working in a system that is totally outdated and outmoded, and operating on philosophies that were gained really in 1945 to 1950 with a different GI Bill and a different purpose. It is simply not working.

Now, administratively, let us start at the top. All GI Bill funding belongs in one place. We now have two departments. After the war we only had one department. Now we have a department that is responsible for war fighting, we have a department that is responsible for veterans. Let us put the GI Bill in the department where it belongs, I do not know why it has taken us 50 years to discover this. It is where it belongs, under Title 38. It does not belong over there under the Reserve bosses in the Pentagon, who are more worried about keeping head room in their budgets than they are in providing the education benefits that they should be providing for their people. It belongs over in the department that was created for that purpose. And that is the Department of Veterans Affairs. Now their skirts are not clean, because they still act like an administration and not like a department, but it is time that they be given the responsibilities of a department and that they start to act like it.

Administrative culture in the VA is a disaster. It generated itself in the late 1940s and early 1950s when the idea was that every GI Bill recipient is a potential lawbreaker. Management by exception

was impossible. All the schools were out there to steal all the money they could steal. We are in a different world here now. Even, for crying out loud, the IRS and the Social Security Administration understand management by exception. Why can we not manage the GI Bill by exception and why can we not treat this benefit they have as a credit earned and simplify the administration. It is terrible. The lawyers and the administrators that run the GI Bill, not to mention to OMB, have it by the neck. And nothing can get done. We need to start all over again with rulemaking and we need a clean slate. And the reason I am making that point so vociferously is that you have that opportunity now.

If you create a total force GI Bill, if you go back and start all over again and get this thing in one place where it belongs, you can address the management philosophy under which it runs and you can clean out a lot of cobwebs. It needs to be done desperately.

The consequences of the way the GI Bill is administered now lead to low morale, total misunderstanding and confusion, as you could tell this morning, about what is it and how big is it and how do I get to it. All of that has got to be fixed.

Also, I think we need to look a little more specifically at modern techniques of accounting and administration. I mean Wal-Mart understands them, Visa understands them, The Home Depot understands that you can use an electronic signature. All of these people know how to manage a debit system and a credit system. Why in heavens name has the Department of Veterans' Affairs stuck with this old system of accounting that requires reams of information, repeatedly requires reams of information and then does not get it and manipulate it in time, because they have too much of it for too little.

And I would like to give you one perspective here. How much can a veteran take? An active duty veteran can only steal \$36,000. We have got to be paying a lot more than that to administer this poor kid's GI Bill, because we do it over and over and over again. Management by exception, modern accounting techniques would make a big difference.

And the other administrative reality I would like to address, since you asked me to when you asked me to testify, is this business of the priority of the veterans' benefits, or the education benefits in VA. Now these people cannot talk about that and it is unfair to ask them about it. But you can ask me, I have been watching it for decades. They enjoy no priority practically. Virtually everything you guys looked at this morning, you ended up reducing to medical issues. Well, Lord knows that medical issues come first. No veteran would say otherwise, a youngster who is hurt is more important than one who wants to go to college. Let us get that out there. Nobody is arguing otherwise.

But in your administrative hierarchy and in the way you put funds

out there, you have got to put education benefits high enough in the priority that they can get the job done. They will never, never fix their technical approach to this or their modeling approach to it, if they are always low priority in everything. It will never happen.

So that needs to be addressed forthrightly. I am not saying that it should be taken from medical benefits and all that, because I do think that is the most important thing in the world for these people. But education benefits, if it has no priority, then it might as well not exist. And I think somebody has got to bite that one off and I think it has to be someone out of the VA to say it forthrightly and that is me.

Summary -- the current management of the GI Bill needs comprehensive ongoing reform, thorough ongoing reform. The proposed GI Bill, and putting all of this in one place under a total force GI Bill, Title 38, is a rare management opportunity as well as a rare opportunity to finally produce an equitable, fair, clear GI Bill that everybody in America understands, that is related to the amount of combat experience that a person has. If they are called to active duty, they get a fair proportion of education benefit. Here is your rare management opportunity to do something really important.

That is my comments. I have more detail supporting all this in my written testimony.

MR. BOOZMAN. Thank you very much, Dr. Kime.

Representative Elliott.

[The statement of Dr. Kime appears on p. 163]

## STATEMENT OF STATE REPRESENTATIVE JOYCE ELLIOTT

MS. ELLIOTT. Thank you, Chairman Boozman and thank you Ms. Herseth, and my own Congressman, Congressman Snyder.

I will say up front my comments will be about education in particular, I am not being dismissive of on-the-job training, let us make sure that is clear. But I am speaking to you today as an educator, retired educator actually, I taught for 31 years. And now work for the College Board and also serve in the House of Representatives as the Chair of the House Education Committee. So you might not be surprised that my comments might center strictly on education.

My job with the College Board though has been one of a great experiment, because we are -- if you are not familiar with the College Board, our primary concern is making sure we connect students to college successfully and my job is to make sure I reach out to those under-represented populations because one of the things that we recognize at the College Board is that a lot of students have taken advantage of a college education in this country, but there are those populations out there that we call under-represented, who are not connected and connected successfully. And we had never thought about this when we started the job, in terms of veterans, but as we

are a membership organization that includes colleges, both two-year and four-year colleges, one of those under-represented populations among the college population happens to be veterans.

So it is my responsible and it is the mantra of the College Board to make sure that we do something about connecting everybody to a college education who wants to have that advantage. We found in our research of course that in academic year 2004-2005, 16 percent of the \$18 billion that went to grant in aid went to veterans. And of course, we have heard today much of that is probably -- that is not enough money, we need to do even better.

But it does very little good for us to even appropriate the money and to fund the programs if we are not doing what we are trying to do at the College Board, to ensure two things -- that is equity and access. I had no idea before I came here today that equity would be so much a part of this conversation, but just in the general educational world at large, we know that equity and access are huge issues, especially for those populations for whom they might be the first generation to attend college. If they do not have that support, if we do not have people doing something other than just saying "y'all come," and not have the support mechanism there, and not making sure there is a continuous stream at the beginning of the process through the end of it, we tend to lose people.

For example, I have heard a great deal today about the delay. Delay leads to deterrence and the students who maybe start the process and are delayed within that process tend to never complete the process of a college education.

So I want to assure you that in this effort to make sure veterans have what they need, that they have an opportunity to gain a college education through the benefits that you are providing, that we think about this in terms of not doing things the same old way. I thought before I came here today probably that education was one of the most inflexible agencies out there. I think I have been disabused of that notion today. There is somebody who is worse off than we are in the education field.

In my testimony that I provided to you, there is some discussion about the importance of a college education, what it means to this country in general. We know that if a person is educated, it is going to cost a great deal of money and we talk about veterans going to college. On average, just to go to a two-year college, it costs about \$2200 a year just for tuition and fees. And when you take a look at the rest of those costs, if a veterans is at the college campus, that is almost \$12,000. That price of course goes up as we get into talking about going to a four-year school.

And so this notion that we are not fully funding veterans so that they can complete that process is one I think that really flies in the face of what we owe them. It is terribly expensive, and I am just talk-



ing -- I am not even talking about the private colleges, that is just the state colleges and that is just an average.

And the other complications that are facing veterans of course have to do with access and equity. Most of them have the obligation of work and most of them have to attend college on a part time basis. That creates extra burdens for them because if they are working, they have family obligations and they still need more money. How are they supposed to afford it if we do not do a better job of making sure they have access to those funds. So they end up borrowing money, one-third of the students who go to college end up borrowing money. On average, the average student borrows \$7500 a year just to get through college. And if you are a veteran, chances are -- and you have not come from a family who has been to college, and that is true of many of the students that I taught who have become veterans and I taught 11th and 12th graders and I often saw those students matriculate from high school right into the military. And many of those students I know personally did not come from families who had gone to college before. So they did not have the means and sometimes not even the mindset that this is something that is attainable for me. And I think if they can serve in the military, one of the things we ought to do is help them with that mindset and the means to make sure they can matriculate through college and give them the support.

I will just kind of conclude my comments with some thoughts about the importance of helping veterans to attain a college education and what it means to society. We all know that an educated person, for example, tends to be a less sick person. We all know that an educated person is one who pays more taxes, although that is not our sole reason for having employment. We also know that a person who is educated will indeed become a more productive and more participating member of our society. These things are without reputation. And every year the College Board produces something called College Trends where we show the benefit of a college education. So this trend called Education Pays shows in one capacity after another, if you are college educated, what it means to this country and what it means to the advancement of this country.

So I would just like us to think about it in terms of I guess to paraphrase a philosophy in helping our veterans attain what they deserve, you know, from those from whom we expect a great deal, we should expect to give a great deal back. And I cannot think of a better way to do that than to make sure that we look at these issues of access and equity and to help the veterans realize the American dream as well.

Thank you very much, Mr. Chair.

MR. BOOZMAN. Thank you, Ms. Elliott.

Mr. Guzman.

[The statement of Ms. Elliott appears on p. 174]

## STATEMENT OF DAVID GUZMAN

MR. GUZMAN. Good afternoon, Chairman Boozman, Ranking Member Herseth and Mr. Snyder. And we are almost finished.

I have behind me the Chairman of the Legislative Committee for NAVPA, Faith DesLauriers, in the red and she will be here to help answer any questions later on.

We have been asked to comment on Title 38 and Title 10 education programs and related administrative processes. While both of these titles, as relates to the Montgomery GI Bill are admirable programs, especially at the onset, because they have allowed service members the opportunity for readjustment or employment needs, education and training, these excellent programs as envisioned by Representative Sonny Montgomery have not had the benefit of being updated to meet today's technological advancements or the involvement of the total force military. Many of the statutory and administrative requirements are applied in such a manner as to be restrictive and, in some cases, deny education and training benefits to eligible veterans, especially those that meet advance pay issues.

The NAVPA agenda for 2006 outlines many of the barriers. We know that efficiencies can be gained in a win-win-win situation for the VA, the school and the veterans, and we have made such recommendations in our agenda, which was distributed to the Subcommittee on February 1.

While the VA has been open to many of our suggestions, the continual turnover of the Director of Education Services has impaired some of this progress. Past directors have indicated that our recommendations are sound. One even said that they were no-brainers, easy to do. But they leave before any actions are taken, progress is stopped and in fact, we find ourselves starting over after a new director is named and after he or she becomes familiar with the technologies employed and is comfortable in the new position.

Some of the recommendations include staffing VA Education Services for TAP briefings. Making processing rules the same for all benefits. Considering that a claims examiner handles many different types of claims, the more variations in rules between benefits complicates processing and slows down service to veterans. If the claimant is eligible for a higher rate, the VA should pay the higher benefit automatically. Public Law 108-375 requires that the VA obtain an election if the claimant is eligible for more than one program. Eliminate the need to develop for mitigating circumstances for reductions and terminations under all education benefits. And make the change effective the date it occurs. On electronic applications, accept electronic signatures. And develop a web portal for veterans to view their records specifically on notification of receipt of their application by VA, determination of eligibility and other tracking issues. These

now tend to bog down the process and tie up phone lines.

NAVPA has long held that the GI Bill is an earned benefit, as well as an investment. But that it should not have a 10-year delimiting date, but that delimiting date should be extended or even eliminated, to better address the needs of lifelong learning. Many veterans cannot use the benefits immediately following service to our country because of family commitments. When they finally are able to attend school, the benefit has expired because of the 10-year delimiting rule, a real disservice to those who have served honorably and contributed, and truly need the assistance. Most veterans accessing the Montgomery GI Bill today use the 36 months of eligibility within their first college degree program; however, there are many others who need the benefit to pay high-cost, short-term programs or for on-the-job training and apprenticeships, or to upgrade skills in their profession.

There are 12 education programs now, too many for the VA and schools to manage at acceptable levels. The eligibility requirements are confusing to the VA, let alone for the school certifying official. Remember that those school program administrators are at the business end of the GI Bill. If the schools cannot immediately help a veteran because of confusing criteria, you can imagine the frustration of the veteran seeking help. This is where the total force GI Bill concept comes in -- a fresh and new approach to an education program that equitably rewards our veterans for their service to our country, one clean bill to replace and update VA education.

A new total force approach could only enhance the support and services provided to our members and veterans from all branches of service. Post-service benefits should be developed to ensure that they are commensurate with the type and length of service as well as the risk exposure from mobilization and deployments.

This updated bill should consider the elimination of allowing the federal financial aid formula from eroding the value of the VA education. It should embrace the concept of lifelong learning by allowing veterans to use their GI Bill when needed to earn a degree, a certificate or to upgrade job skills. Veterans should be allowed to work in academic departments on the campus in which they are pursuing their degree program to gain valuable work experience for life after college under the veterans' work-study program.

Administratively, claims processing needs to be made more efficient through consolidation of the four regional processing centers. Claims are submitted to the VA in electronic format. Staff savings in consolidation could be put to more urgent needs within DVA. One stop processing of claims means one consistent answer to veterans and school certifying officials. An on line, secure web portal, similar to your bank, school, airline, et cetera, would make for an efficient method of sharing information with the school certifying officials as well as with the client, the veteran. This is not new technology. And

can you imagine the reduction in telephone calls?

Administrative details such as reporting data in the school certification to the VA are subject to annual audit and should not be necessary as too many claims are held in abeyance pending receipt of information that does not affect the eligibility status of the veteran's claim for education benefits. Tie military separation physicals to VA compensation physicals to ensure that separating veterans are not delayed in receiving benefits. A VA compensation physical can take six months to two years to determine compensable disability, depending on the location of the veteran and the workload of the medical facility in their area.

We ask Congress to authorize a Veterans Service, Education and Training Program grant to be used by school veteran program administrators to enhance services to veterans, to outreach to non-student veterans in the local community and for training of school certifying officials. Finally, DVA compensation for schools to develop enrollment verification for the VA is totally inadequate and has not been updated or increased since the mid-1970.

Thank you for this opportunity and I stand ready to answer any questions.

MR. BOOZMAN. Thank you.

Mr. Wilson.

[The statement of Mr. Guzman appears on p. 178]

## STATEMENT OF KEITH WILSON

MR. WILSON. Thank you. Good afternoon, Mr. Chairman, Ranking Member Herseth and Congressman Snyder. I appreciate the opportunity to appear before you today to discuss VA's education benefit programs as well as the Administration's views on the total force GI Bill concept. My testimony will highlight workload, payment, and usage trends for the educational assistance programs under the MGIB, as well as the 1607 REAP program. I will also discuss administrative processes and automation tools that support these programs.

The education claims processing workload for Chapters 30 and 1606 combined has increased over the past five years. From fiscal year 2001 until 2005, the number of claims completed increased by 28 percent. The number of students using the benefit rose by 16 percent and the total payments for the year increased by 87 percent to \$2.1 billion.

The overall usage rate for Chapter 30 grew from 57.9 percent in fiscal year 2001 to 65.5 percent in fiscal 2005. We expect these trends to continue during fiscal 2006 as well as 2007.

We are pleased to inform the Subcommittee that VA began making payments under Chapter 1607 in December of 2005. By the end of this fiscal year, we expect to pay about 40,000 individuals. About

13,000 of those will be brand new benefit claimants. As of March 6, 2006, we have processed 1483 of these claims and I am pleased to report as of this week, that number has increased to about 3400.

While staffing has increased in the past fiscal year across the four Education Regional Processing Offices, we have not yet fully realized the full productivity impact with these additional resources. Formal training for new employees takes about 20 weeks. Although a new employee is considered productive at the completion of that training, the employee does not produce at the same level as a journeyman claims examiner. Normally we expect it to take about two years for a new employee to be fully trained and fully productive.

We continue our efforts to migrate all claims processing work from the legacy claims processing system into the new corporate environment. The Education Expert System, TEES, which we have discussed a lot already, is a multi-year initiative that, when fully developed and deployed, will result in the implementation of a claims processing system designed to receive application and enrollment information electronically and to process that information electronically. This system will dramatically improve the timeliness and quality of education claims processing.

Mr. Chairman, the Veterans' Advisory Committee on Education recently made a recommendation to consolidate the MGIB and REAP programs into one total force GI Bill program. VA found this recommendation merited serious further consideration. Accordingly, the VA Deputy Secretary established a work group to further analyze the feasibility of such a consolidation. The work group, which consists of both VA and DoD people, has met each month at least once a month since October of 2005.

The total force GI Bill work group is analyzing many complex issues associated with the transition to a consolidated program. Establishing a consolidated total force GI Bill program obviously would require significant changes to the current system, as well as new legislation. The benefits of a consolidated GI Bill program would need to be weighed against the potential impact on individual beneficiaries, entitlement levels, military recruitment and retention and funding.

The transition to a total force GI Bill would require reconciliation of all of the current eligibility and entitlement requirements. For example, active duty members eligible to receive benefits under Chapter 30 are required, upon electing the benefit, to make a \$1200 contribution to the program through pay deductions. Reservists eligible to receive benefits under Chapters 1606 and 1607 are not required to make such a contribution. The work group will need to analyze and prepare a recommendation as to whether the \$1200 contribution should be eliminated, required for some, modified up or down, or required for all under the total force concept.

Once the work group has completed its task and its recommendations have been fully considered, we will be pleased to provide the Subcommittee our official views on this matter. We expect the work

group to complete its tasks and submit its recommendations in June of 2006.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or any members of the Subcommittee may have.

[The statement of Mr. Wilson appears on p. 217]

MR. BOOZMAN. Thank you, Mr. Wilson. Let me ask you a couple of questions real quick. Several of the witnesses today mentioned that the VA regulations are outdated, cumbersome, presume the worse behavior in veterans and in the schools that administer the programs. How do you respond to those comments?

MR. WILSON. Well, the programs have certainly evolved over time and, generally speaking, as they evolve, they are requiring new legislation and that does add a certain level of administrative burden to the programs that we administer. I would argue though that that is generally a good thing because it has meant broader entitlement so we can pay more benefits to more people. In terms of assuming the worst, I do not believe that that is accurate. Some of the safeguards that we have in place right now are based on experiences many decades in the past and they are designed to make sure that the money that we are paying out is going to the beneficiaries they are designed for.

MR. BOOZMAN. I know I was on the school board for seven years and even at that level, we had a situation where we had a book probably this thick, that had evolved through the years and so we made it our purpose on a weekly basis to meet or a committee would meet and clean that out. Do you feel like that is necessary in your case? And again, I am not saying -- it is not your regulation, it is our regulation, along with your regulation, or to give us advice on how we need to help you clean it out.

MR. WILSON. Anything that we can do to streamline the process while maintaining the necessary safeguards would be a good thing. So in terms of looking at that type of issue, absolutely. It should be continually looked at.

MR. BOOZMAN. Okay. And you might not know the answer to this one, but earlier on we were discussing about the discrepancy in the man-hours to process the initial supplemental claims versus the ones, the OJT and the other -- the off-system claims. Can you provide -- do you have any idea what one processing system, the man-hours it would take to process versus the other?

MR. WILSON. Not detailed understanding of the technical specifics, no. There are certain types of claims, OJT is a classic example, that require a lot of administrative, basically "stubby pencil" involvement. Originally 1607 was a lot that way because we did not have a payment system in place until February. We do have that payment system in place now. So yes, there are certain types of claims that are significantly more complex.

MR. BOOZMAN. Would you provide that information for us?

MR. WILSON. Absolutely.

[The information is found on p. 252]

MR. BOOZMAN. Thank you. Ms. Herseth.

MS. HERSETH. Thank you.

Mr. Wilson, I think we are all hoping that maybe when you took the position, you signed a 10-year contract because I do think it is important. I know that you have a history within the Education Service, but I do hope that there is some accommodation made as you make the transition here as Director, to perhaps look at what Mr. Guzman and others have pointed out, that have been recommendations in the past, that your predecessors agreed made sense, would be easy to implement, that that could perhaps be evaluated sooner rather than later, not to lose time on that front.

I apologize because you may have given these numbers while I was visiting with counsel here. Can you give us the latest data regarding the Chapter 1607 claims processed, including the number of paid claims and pending claims and the status of the automated system that the Subcommittee was told a number of weeks ago was just being integrated?

MR. WILSON. I can give you some approximate numbers on the cases, 1607 cases, that were pending when the payment system was implemented. I do not have any data on the new claims that are coming in the door for 1607 right now.

There were a little over 14,000 claims that were pending when the payment system was put in place in mid-February. The RPOs have really addressed that aggressively and we have worked about 3400 of those claims. Right now, there are roughly 11,000 or so that are pending.

MS. HERSETH. Any idea of when those will be -- I mean I appreciate the work, but I think -- and correct me if I am wrong. I do not know, Chairman, if you remember this, when we were told that the automated system was put in place, we were told it would just be a matter of a few weeks that the backlog would be addressed.

MR. WILSON. Yes. I would -- I am going out on a limb if I give any kind of specific date, but I feel confident that within the next 45 days, we would see most of those cases completed.

MS. HERSETH. Okay. Perhaps you could give the Subcommittee an update at the end of April --

MR. WILSON. Absolutely, uh-huh.

MS. HERSETH. -- when we return from the Easter recess, as to the pending claims remaining from that point in time when the automated system came through.

MR. WILSON. Okay.

MS. HERSETH. Then on a related note, because you had mentioned



in terms of new claims not having the most recent data, but that leads me to the question of what types of coordinated efforts are being pursued to ensure that the four men that we had here on our first panel and their counterparts in other states are getting information and accurate information about their eligibility for Chapter 1607?

MR. WILSON. I can talk about VA's efforts to a degree. I am not versed on what DoD is doing in terms of providing outreach. Part of the MOU that we signed with DoD had been to do some of that. We are in the process in VBA of receiving a data run from DoD that would give us the entire universe of individuals that have been activated and are potentially eligible for this benefit. As soon as we get that data and we can verify it, scrub it, make sure it is accurate, we can do a mass mailing to everyone, so we know everybody will get, at their home of record, one of our new trifold pamphlets that explain the benefit.

We are also in the process of updating all of our general benefit information. The IS-1 is only a yearly publication, so the next time that comes out, it will include the 1607 benefits.

In our TAP and DTAP briefings, the information on 1607 is discussed as well, and I am fully aware of the concerns that everybody has concerning this wealth of information that the individuals coming back are getting. They are getting a lot of information. But that is part of the briefing package that we do give them.

MS. HERSETH. I appreciate that, and certainly every member of Congress' office wants to provide information as well, but I think the best we can coordinate that, the easier it is to minimize this information overload when our returning service members are receiving information from a variety of different sources, and focus on the counseling of which benefits they are eligible for and how to utilize those most effectively.

I certainly am looking forward to the completion of the work groups analysis in June of 2006, but you raised an issue in terms of what some of that analysis is, and that is the contribution that active duty members make to utilize their Montgomery GI Bill benefit. And while I was unable to attend the hearing that we had last week because of a markup of a bill in another Committee on which I sit, I understand that a question was raised as to what the National Guard and Reserve were going to be willing to contribute and for me, that is maybe going in the direction, but I think we should go in the other direction, especially when Dr. Kime says that we have only gotten to 60 percent of the benchmark. And yet we are still requiring \$1200 for active duty even participating and then if Guard and Reserve are at 28 percent of the 60, that the question would even be raised that the National Guard and Reservists would be paying at that rate, to receive a benefit at that rate.

Does anyone else on the panel want to address any conversations

that you have had as it relates to the active duty or the National Guard and Reserve utilization of the benefits and this fee, this payment reduction that is imposed on active duty? Any thoughts on that as we look to the restructuring of the Montgomery GI Bill?

MR. BOMBARD. The Committee has looked at this for a number of years and their recommendation is to eliminate the \$1200. As with a lot of the things the Committee has recommended, the Department of Veterans' Affairs has agreed, but there is always a cost issue that is why this recommendation has not been adopted. But the \$1200 has always seemed to the Advisory Committee as an unfair requirement for active duty personnel. It is an earned benefit. I did not pay \$1200 when I came back from Vietnam. I believe military personnel who serve should be treated equally. Therefore the \$1200 should be eliminated. Now DoD has a financial interest in this and will argue not to eliminate it.

The \$1200 pay reduction poses a significant hardship on a first term enlistee. Granted \$1200 to make \$36,000 is a good deal, but it is not always easy for the young enlistee. Then if they decide they may want to go to college they don't always have the money. My feeling is that should be eliminated and I believe that it is the position of almost everyone who is associated with it.

But again, there is a cost factor.

DR. KIME. There are two very important things here that I would like to get out in public.

One is that when we first put together the Montgomery GI Bill, this was done on a shoestring in the post-Vietnam era and in fact, when I first joined the Advisory Committee, I did a little study and I was just devastated to find out that the kids who did not take the GI Bill, the usage rate was in the thirties then, were paying for the ones who did. The program cost no money. And of course, this was at a benefit of 200 and some odd dollars a month, which was, you know, a national scandal to begin with. But we have come a long way since then, we are now at a benefit of \$1034 a month, much to the credit of Congress. I give them a lot of credit for that.

The \$1200 is irrelevant. It is irrelevant and it is almost silly. I do not know how much money it really is to the Department of Defense, but it is time they came off of that kick. Certainly two wrongs do not make a right. Doing the same wrong thing to the veterans in the Guard does not make it right, because it is wrong to begin with. \$100 a month out of an E-1's salary is just too much money. And remember that one-third of them -- because the usage rate now is in the sixties, right? That one-third of them are putting in \$1200 and helping subsidize the ones who are fortunate enough to be able to go to college. How fair is that? That does not make any sense.

Well, second point is one that I really would like to be sure gets driven home. And this is it: The reason that folks like me who are

advocates of veterans' education, have not pushed to eliminate that \$1200 at the same time that we push for this total force GI Bill -- do you know why? We do not want to give DoD a way to kill this thing. And you should not let them either. You should not let them for a lousy \$1200 per kid that is coming into the services say that that is a poison pill for the total force GI Bill. Let us get that out there on the table and talk about it honestly. It should not be allowed to be a poison pill for the total force GI Bill.

MR. BOMBARD. Mr. Chairman, that is exactly accurate. The Advisory Committee decided not to recommend the dropping of the \$1200 because we did not want to give DoD the opportunity to declare it dead on arrival. But it should be implemented.

MR. BOOZMAN. Mr. Snyder.

MR. SNYDER. Thank you, Mr. Chairman. And I want to thank you again for having this hearing. I think the panels have been just great. In terms of quality of the witnesses, I think it is one of the best groups of people I have had the honor of listening to in my almost 10 years now. I appreciate you putting it together.

I know that everyone at the table came from some distance away and with the exception of Representative Elliott, you all came quite a distance away to get here today. And we really appreciate you being here.

And Mr. Chairman, I know you are very interested in this topic. As somebody who did sit through most of the hearing last week, I think this panel would be a great panel to have back in D.C. for the rest of the members. I think it could be very helpful.

I also acknowledge and want to thank Doug Thompson from the Arkansas Democratic Gazette for having stayed with us. I do not know how many doughnuts he is into this thing right now, but we appreciate him being here. And in fact, the Arkansas Democratic Gazette did a story, I guess it was about three or four weeks ago, about Representative Boozman and myself, but the topic was the GI Bill and proposed changes to it. And so I appreciate him being here.

I do want to quote one thing in the story because I am having trouble and have been for several years figuring out where the obstacles are in this. But the Democratic Gazette called up Grover Norquist from the Americans for Tax Reform and asked him what he thought about these efforts to modernize the GI Bill. And his exact quote was, "This isn't about helping soldiers, it is about corporate welfare for helping universities." I mean that was Grover Norquist. He called the GI Bill, which I think has probably been one of the greatest promoters of the middle class in this country perhaps in the history of our country. It was just absolutely shocking that he said that. But he also has a lot of influence over the leadership in the Congress now. And so we have got some work to do out there.

Go ahead, Dr. Kime.

DR. KIME. I assume you cannot say crap in one of these places, so I will not do that.

MR. SNYDER. It has been quoted in this armory that people have used that word before.

[Laughter.]

DR. KIME. Well, good, I am glad I am not breaking any records here.

MR. BOOZMAN. I am losing control.

[Laughter.]

DR. KIME. But that is really truly silly, speaking from higher education's point of view. That is the dumbest thing I -- that is not the dumbest thing I have ever heard, but it is pretty dumb. The fact of the matter is that other scholarship monies are out there and everything else to fund for education. And the universities would not be behind the GI Bill simply because it brings in money for universities. I have never, ever, ever -- and I have been at this awhile -- heard anything like that.

MR. SNYDER. Yes.

DR. KIME. They truly -- one of the best things that has happened to me in this business is that the people representing the universities have genuinely, very honestly and strongly supported veterans being called to active duty, especially to go into combat. And these people have weighed in, they were the first there for the Partnership for Veterans Education. Has nothing to do with how much money they are getting out of these so-called scholarships. In fact, they have a practice where they offset scholarship money with GI Bill money, which I personally am opposed to, but the fact of the matter is it is a wash, it does not make any difference at all. So it is really a silly comment.

MR. SNYDER. Yeah, I thought it was too.

This issue that has come up about the jurisdiction of the committees -- and it is a problem and I know it is inside the ballpark I think for a lot of folks who do not follow this closely, but there are good reasons why the two committees have different jurisdictions. The DoD is responsible for the payments of the Reserve Component benefits and so that comes out of military budget, DoD budget, so that is why the Armed Services Committee does it. And the Veterans' Committee has the veterans who are no longer in the Reserve Component.

But it is a problem for us. And I do not know how well we are going to do at eliminating this jurisdiction. Several of you have talked about testifying to this effect for years. I have thought that one way to get at it would be to have at least -- to have on an annual basis a joint hearing between Mr. Boozman's committee or the full Veterans' Committee, and the Military Personnel Subcommittee on the Armed Services Committee. If you had a joint hearing once a year

with panels like you, where are we at with regard to the GI Bill, then it would enhance the coordination probably primarily between the staffs, but also between the members. I do not understand why that has not been done. I had a commitment from Chris Smith, the former Chairman of the VA Committee, to do that with Mr. McHugh, but it does not seem to be happening. I requested hearings this year on the GI Bill and they have not been scheduled. But it is frustrating. If any of you have any comments about where the obstacles are coming from, I sure would like to hear them either publicly or privately. I forget who it was along the line here who said there has not been any Department of Defense endorsement of change. That may be a big clue to what is going on here and maybe it is money, I do not know, but as long as the Pentagon, in the current climate of one party rule in Washington -- this is my partisan comment -- when we have one party rule in Washington and the Pentagon says they do not want any change, it makes it more difficult to change. We have got good hearted people like Mr. Boozman who want to do something, but it makes it a challenge.

Mr. Bombard, you specifically talked about how you have been testifying for a long time.

MR. BOMBARD. Maybe too long.

MR. SNYDER. I am sensing there is something in the air this year. Do you agree with that?

MR. BOMBARD. I would agree with that. I have been testifying to restructure the G.I. Bill since I returned from Vietnam. Then we wanted the Vietnam veterans to have the World War II G.I. Bill. This did not happen. I do believe however, after having been involved with the G.I. Bill legislation for a long time, that this time it's different. There is a momentum behind the total force concept that is going to be difficult to stop. There is a momentum here to do the right thing. I believe both the House and Senate Veterans' Affairs Committees have provided a positive forum to get that issue out. I would also like to see the Armed Service Committee adopt a similar position. But to answer your question, yes, there is something positive in the air. The total force concept originated with the Advisory Committee a couple of years ago and worked hard to develop it. The Advisory Committee has members from DoD, higher education, VA, and the service organizations. People who really know the G.I. Bill put this together in the hopes that it would resolve an inequitable situation and administrative nightmare. And it has. Yes, I do believe the atmosphere is changing and I do believe the G.I. Bill concept is gaining momentum. And I also think it is time to get on the train, before it leaves the station without you.

MR. SNYDER. The train's time table is a short window this year unfortunately.

MR. BOMBARD. I understand that.

MR. SNYDER. Mr. Sweeney made the comment about -- in fact there were several things in his statement I wanted to comment on. You referred to it as a lifelong learning. And I think that this is different than when Mr. Bombard and I used our Vietnam benefits. We thought about you get your profession, your career, and you are set for the next 35 or 40 years. Representative Elliott talked about that. And I think that attitude that I think more and more of us recognize, that a person coming out at age 24 or 25 or 22, has to think in terms of lifelong learning for their career, really renders these time limits of 10 years or 14 years as not helpful to our veteran population or our Reserve Component population. And I am just repeating, I am not really asking for your comment, Mr. Sweeney, but just really repeating what you said, because I think that is important.

And on page 2, I think this was a wonderful statement you made Mr. Sweeney, in your written statement, you said "In our view, the GI Bills (plural) should be the premier educational assistance programs in the country, bar none." And it used to be, did it not? When we came out of World War II and we had those hundreds of thousands of almost all men coming back home, most of them without college education. Like Representative Elliott was referring to even today. And then the GI Bill was you get into Harvard or you get into Yale and we are going to pay the bill. And when I was in college at a small but expensive private school in Oregon, when I went to college, started in 1965, I had a -- my biology teacher was just a brilliant woman who has been dead for a long time now, but she had been teaching at the time that the World War II veterans came back and she just said it was like a breath of fresh air because here were these kids who had never been on these kinds of campuses, with students who had never seen those kinds of kids. And she said it was not uncommon to have some guy stand up in class and say "This is BS," only they would not say BS, because they were there for a purpose, they were motivated, they had seen the fires of hell and they were ready to get on with their lives. Well, we have really gotten away from that. Secretary Principi had talked about that in the Principi Committee, that he wanted us to adopt that principle, that if this 18 year old from Rogers High School gets into Harvard and has completed military service, whatever that expense is, we are going to help him do that. Well, we do not even really think like that any more. Maybe it is unrealistic or maybe we just do not expand our horizons, but think what that would mean for opening up poor kids around the country if that was still our operating principle.

But as Representative Elliott pointed out, the challenges of this escalating cost at all levels, but particularly private schools, and we are not even pretending that we are really providing a major effort to let these kids get into the board rooms or whatever through the ivy leagues or whatever. I would like to address -- and I do not know if

we need to have everyone comment, but I am talking about the big dreams and you all have been talking about this for years. Do any of you have a realistic assessment, if you could do everything that you want to do, what the annualized cost would be to the federal taxpayers and where that money is going to come from?

DR. KIME. There are some indices you could use. For example, right now, you are at 60 percent or so. In fact, the number is 60.9 percent. I did a little thing here on it.

MR. SNYDER. Of the benchmark?

DR. KIME. Of the Benchmark for Chapter 30. So obviously you would need to find out how much is put out by Chapter 30 right now every year and increase it by the 40 percent, and raise the usage rate. OMB will not let you forget it, because more kids would do it obviously. If you build it, they will come. So there you would have an increase of 60 percent in Chapter 30 outlays right off the bat.

If you fixed the Reserve and Guard GI Bill and if you looked at their current usage rates, you would have some idea of that. Probably we could sit down with a pencil on the back of an envelope and come up with something pretty quick on that. I do not think that would be very hard to do.

MR. SNYDER. Because I think -- go ahead, Colonel.

DR. KIME. One more comment though.

MR. SNYDER. Yes, sir.

DR. KIME. Remember that you have talked about Harvard and that is fine, but if you did that, you would be covering the cost of a four-year public education in the United States, you would not be going to a private school. You would be covering a \$15,100 a year bill, which is where it is right now. But I would submit to you that that would cover 95 percent of all veterans who want to go to college and those who can get into Harvard out of the military are probably going to get a full paid scholarship.

MR. SNYDER. Yeah, that is right.

Colonel Norton.

COLONEL NORTON. I do not pretend to know what the real number is, but I would just suggest that maybe looking at it from a larger perspective. We do know that the Iraq supplemental, the war supplemental to carry on the War on Terror, a couple of hundred million dollars has been set aside, earmarked for cash bonuses for enlistment and re-enlistment in the active forces and in the National Guard and in the Reserve. It is possible today for young men and women to come in or to re-enlist and get 30, 40, 50,000 dollar cash bonuses. That is the way the Defense Department manages this operation today. Nothing wrong with that, although to some extent I think there is a little cynicism there that this is becoming more and more of a mercenary force.

We believe that what ought to be done here is that some of that



money could be set aside to sort of jump start this total force GI Bill, in terms of the long-term investment in our economy and in these great young men that have served us.

MR. SNYDER. I think, you know, as we keep working on this this year and even in the next year, whatever it takes, but particularly in the next few months, we need to be more than just sensitive to the costs. We need to be able to come out with a hard-core appraisal of this is how much it is going to cost and this is what Mr. Boozman and Ms. Herseth's plan is going to cost, and this is where we think we can find the money. Because if we do not do that, then the people who do not want to see or do not think we can afford to change, will have us from the beginning because we will not even put a pencil to it.

Yes, sir, Dr. Kime.

DR. KIME. It would be a terrible error though if we failed to come up with a new architecture for the GI Bill because of cost.

MR. SNYDER. Yeah.

DR. KIME. I have already told you that is the reason we did not talk about the \$1200 elimination.

MR. SNYDER. Right.

DR. KIME. Is because we were afraid of the poison pill thing. I would not look to raise basic benefits in the next year, frankly. My personal opinion of this is that we would be much better served, and I believe veterans would be much better served, if you folks could fix the architecture and get that right and do not face DoD or even the Reserves or anybody else with huge financial issues that they have to deal with. Get the architecture right, make it fair, clear, equitable, where you are right now, and I guarantee you that in the next four or five years, we would be sitting around here talking about how we are going to use that architecture to good advantage and fix the numbers.

MR. SNYDER. Do the three of you agree with that approach?

MR. BOMBARD. Yes.

COLONEL NORTON. Absolutely.

MR. SNYDER. Dr. Kime, I really appreciate your comment about priority. I was thinking of my time on the Military Personnel Subcommittee on the Armed Services Committee in which we have an annual hearing on healthcare and it sometimes goes on for two-thirds of a day with multiple panels and I frankly wish we would divide up some, but we do it. And we do not do it on educational benefits because we have not set that as a priority. And I think that is something that we need to do.

Representative -- incidentally, Stephanie, as you know, we have been trying to work out your political future here in Arkansas, and I do not know what that is going to be, but if you ever need a Secretary of Education, this is your woman right here.

[Laughter.]

MR. SNYDER. Representative Elliott.

I really appreciate your comments and your written statement, Joyce, but particularly I think you put more emphasis on the whole idea of the impact of the GI Bill on society as a whole. And we can sometimes get so cute trying to figure out well, is it going to increase this recruitment rate or is it going to increase this retention rate or will there be a drop off, when we ought to be saying what would be the ramifications of having this be a program that military families, whether career or just the three or four years, could depend on and recognize as a driving force of the middle class and what that would do to our national security and technology development. And so I think that is really an important point.

And Mr. Guzman, I had one question for you and I am going to address it to you just because you talked about this some about the programs like truck driving and those kinds of things.

I enlisted in the Marine Corps after having completed two years of college and it took me six years to get back to college, but somewhere along the line, I think I picked up a matchbook cover that had a phone number for a heavy equipment, construction heavy equipment operator school and it said GI Bill. So I called this person and he said yeah, I will be glad to come and talk to you. I do not know if he came in from out of state, but he traveled some distance. I think I was in Medford, Oregon and he traveled from Portland, Oregon. I met him in the morning and he had a motel room, so there was an investment of his time.

Well, there was a really, really heavy sell to get me to sign on that contract. I felt like I was being preyed upon. And he referred to, you know, Uncle Sam as "This is Uncle Sugar, you know, go ahead and sign it," that kind of thing. As we talk about these programs to let people kind of forward all their benefits into one big swoop and it is to a three-week course or however it is, we had also better have ways, without increasing the bureaucracy for Mr. Wilson, but we sure better have some kind of a -- and maybe we have it already, I do not know -- but something to address people preying on our young veterans who want to get on with a program and sign up for something that is really high priced and it is not the quality, and I assume that you would agree with that also.

MR. GUZMAN. I definitely agree with that, sir. But we do have those short-term, high-cost programs available today.

MR. SNYDER. Yeah.

MR. GUZMAN. And I think the veterans are part of society, they should be able to take advantage of them.

I also wanted to comment on the cost of the program. I think in the long run, it will not cost anything. And I say this because if you look at the history of veterans' education, the return on the investment

will pay for itself. I realize you have to have the upfront money right now to pay the veterans for their education programs. But if you look at the Vietnam era GI Bill, it paid 500 times the investment.

MR. SNYDER. Right. That is a good point.

MR. GUZMAN. Yes, sir. Thank you.

MS. ELLIOTT. Mr. Snyder, may I just add --

MR. SNYDER. Yes.

MS. ELLIOTT. -- this comment has nothing at all to do with my work with the College Board, but I also belong to a group called Women's Actions for New Directions and one of the things that we have done a great deal over a number of years is take a look at the military budget. And one of the things we have found is that the public has a perception that we are spending far, far more money than we are actually on the veterans as individuals. They see the huge military complex budget and they think it is going to individuals, when in essence, not to get into it here, it is actually going someplace else.

So I think one of the challenges we have, regardless of what the cost may be, is redirecting the public's attention to understanding where those dollars are actually going.

MR. SNYDER. How to invest in people.

MS. ELLIOTT. Exactly. And I think we will have the support from the people to invest in people because right now they think that is happening, because actually that is not the priority in so many cases.

MR. SNYDER. And my final comment, Mr. Chairman, is Mr. Wilson, we really appreciate you being here. You are a very well respected contributor to this whole effort to help our veterans. I do want to close, Mr. Chairman, I notice that Mr. Wilson said at the end when the task force comes out with its recommendations, that "We will be pleased to provide the Subcommittee our official views." And we have gotten official views and I know what the official views are, they are "no significant shortcomings," that is what we heard last week. And so I appreciate that artfully drawn statement, but a lot of us are also going to be looking for people's personal views because I believe those are sometimes in conflict with the official views, because I think the programs, great programs, clearly do have significant shortcomings.

And I applaud you, Mr. Chairman, for having this hearing and drawing attention to them and helping us get additional information to work on these in the future.

And thank you again, Stephanie, for being here.

MR. BOOZMAN. Thank you. Congressman Herseeth.

MS. HERSEETH. Just a couple of final comments to share with all of you. I certainly appreciate Mr. Snyder's suggestion that Ms. Elliott should accompany me back to South Dakota. I would appreciate it if you would.

[Laughter.]

MS. HERSETH. Where I am headed later today is to spend two days in our reservation community with Native American students and talk about an unrepresented, under-represented segment of our population and what higher education can mean for them. But I commend you and all of the rest of our witnesses on this panel and the previous panels for your testimony.

I have to tell you it has been great to be here because the Arkansas Congressional delegation is my favorite. And I do not say that to ingratiate myself to them, but clearly Chairman Boozman, in my short time in Congress since June of 2004, and working with him on this Committee in particular, but on other issues and how great he has been to work with in a truly bipartisan way, his leadership on the Subcommittee, his insightful analysis in the full Committee, and as I mentioned on other issues that we deal with on the House floor has been a great benefit to me in our working relationship since I became Ranking Member at the beginning of this term of Congress. I know we can all tell from Congressman Snyder's comments and his questions today just the raw intellect as well as being so down to earth and wanting to, you know, get through everything that we need to get through to get to the bottom line of what has to be done and the way he encourages me to participate and to pursue other avenues through this Committee, through the Subcommittee and other issues has certainly been appreciated.

And I have to tell you, your two other members of Congress, Mike Ross and Marion Berry, have traveled to South Dakota to shoot a few pheasants. So I have enjoyed spending time with all four of them, and it is certainly a pleasure to be here today, and thank everyone who traveled as well as the Arkansas National Guard for your service to the country in so many different missions, certainly in this region down on the coast, but in Operation Iraqi Freedom and Enduring Freedom.

Thank you very much for hosting me to your great state and to beautiful northwest Arkansas.

MR. BOOZMAN. Well, we appreciate you being here. We just wish the weather was a little bit nicer.

I want to thank the staff for their hard work in setting this up. The District staff here, all of those that worked so hard to get the room ready and those kind of things. I also want to thank the staff of the Subcommittee. I know that they have worked very hard to make this happen and it is a lot of work to make these things happen.

I especially want to thank Senator Pryor and Ms. Herseth and Mr. Snyder for being here. Again, these people have very busy schedules and yet, part of our schedule is talking about the things that we talked about today and that is so, so important.

I agree with Vic, I think this is one of the best panels overall, all of

the panels, that we have had. So we appreciate your testimony very, very much.

We especially appreciate you, Vic, in the sense that being on Armed Services, you really do have a unique perspective in this thing and really are very helpful in guiding us through the process. We are going to work really hard to see some changes fairly quickly. And I agree, I think there is something in the wind right now, we are a nation at war, this is the right thing to do. I am glad that Congressman Snyder brought up the comment that he did. I read that also and I looked at that and I thought that is the goofiest thing I have ever read in my life. You know, I could not think of that if I tried to.

But again, we do appreciate everything. A special thanks to the 142nd Field Artillery for hosting us and to everyone who appeared here today, especially to the members of the Arkansas National Guard. Each of you represents what is good in America. Your voluntary commitment to join the one percent who defend the other 99 percent exemplifies the spirit that has lasted from our earliest Colonial days to those who now serve with you in harm's way.

So the final thing I would like is I would like to ask all of us present today if you would all join me in showing our appreciation for these men and women and all they represent.

[Applause.]

MR. BOOZMAN. Thank you. The hearing is adjourned.

[Whereupon at 2:00 p.m., the Subcommittee was adjourned.]

## APPENDIX

Honorable John Boozman  
House Veterans Affairs Subcommittee on  
Economic Opportunity  
Field Hearing on GI Bill and Transitional Assistance Program  
Rogers, Arkansas  
March 22, 2006

Good morning and welcome to the home of 142<sup>nd</sup> Field Artillery Battalion, commanded by Col. Jeff Montgomery. We are very proud of all our Arkansas Guardsmen and women and the 142<sup>nd</sup> holds a special place in my heart.

I am delighted that each of you could join us for this important hearing on the effectiveness of today's GI Bill and the Transition assistance Program, commonly called TAP. Following the hearing, we are going to visit the VA hospital in Fayetteville. Tomorrow, the staff and I will drive to Muscogee to see how they are handling education claims, then the staff will head back to DC.

Congressional committees are organized with a Chairman from the majority party (that's me) and a Ranking Member from the minority party and I am very fortunate to have Ms. Stephanie Herseth as my Ranking Member. Ms. Herseth represents the entire state of South Dakota and I thank her for making the trip to Rogers to meet my constituents and get a look at this beautiful part of America. Welcome Stephanie and I'm going to hold you to your promise not to move to Arkansas and run against me. In the meantime, I'm happy to yield to you for any opening remarks you may have.

Benefit programs don't exist just to give a bureaucracy something to do. Programs like the GI Bill and TAP exist to help those who wear the uniform reenter civilian life and give them the opportunity to find success. We will hear from several of those service members today and I am looking forward to their testimony because its good to hear from the customer and that is why we are here today.

Everyone has probably heard of the GI Bill. The first GI Bill came out of the horrors of WWII and according to many sociologists, made the American middle class. Congress passed the most recent GI Bill in 1985 and it has served us well over the years of the Cold War and beyond. But today's military reality is much different from 1985. Guard and Reserve call ups were rare then. Not so today. Our men and women in the Guard and Reserves are carrying a significant portion of the War on Terror and we need to determine the extent to which we need to modernize the GI Bill.

TAP is a more recent phenomenon and is designed to update our service members on programs that are available to them such as the GI Bill or employment services through the Department of Labor's Veterans Employment and Training Service or VETS. TAP was originally designed for those leaving active duty. However, several states are now adapting TAP to meet the needs of their returning Guard and Reserve units. These states are finding that a small investment in time and money following a long deployment has paid dividends in

retention, recruitment, and fewer post deployment family crises. I believe every state should make that commitment and I hope we will hear what the Arkansas Guard is doing in that respect.

My thanks to the 142<sup>nd</sup> Field Artillery for hosting us and to everyone who appeared here today, especially to the members of the Arkansas National Guard. Each of you represents what is good in America. Your voluntary commitment to join the 1% who defend the other 99% exemplifies the spirit that has lasted from our earliest colonial days to those who now serve with you in harms way. So, the final thing I would ask from those present today is that all of you join me in showing our appreciation for these men and women and all those they represent.



**STATEMENT BY****CAPTAIN JASON M. DESOTO****COMMANDER, ALPHA BATTERY,****2<sup>ND</sup> BATTALION, 142<sup>ND</sup> FIRES BRIGADE****EXECUTIVE SUMMARY ON TRANSITIONAL ASSISTANCE****22 MARCH 2006**

While I have not received any additional assistance from the sources briefed to us during my unit's demobilization, I greatly benefited from the counseling that all the members of my unit participated in before being released from active duty. The tools they shared with us to use during our reintegration with our families were invaluable. It helped me to realize that the families went through just as difficult time during our deployment as the soldiers did and that we had professional assistance available to us should the need arise once we got home. The unit chaplains from both the 39<sup>th</sup> Brigade Combat Team and the 142<sup>nd</sup> Fires Brigade have proven to be invaluable as well. They have been proactive in seeking out the soldiers and helping to identify specific needs. I have soldiers in my current unit that deployed with me to Iraq and most of them have utilized the services of the chaplains at some point since the demobilization and all have been very pleased with the assistance they have received. Our unit chaplains have been ready at any time of the week and all hours of the day to help with any problems or needs that arise. They are the first person that I recommend to my soldiers when they approach me with personal problems.

**TESTIMONY OF  
CAPTAIN JASON M. DESOTO  
COMMANDER, A BATTERY, 2<sup>ND</sup> BATTALION,  
142<sup>ND</sup> FIRES BRIGADE  
ARKANSAS ARMY NATIONAL GUARD  
BEFORE THE  
COMMITTEE ON VETERANS AFFAIRS  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
U.S. HOUSE OF REPRESENTATIVES  
MARCH 22, 2006**

Mr. Chairman and Members of the Subcommittee,

Thank you in advance for the opportunity to speak with you today. My name is CPT Jason M. DeSoto. I am currently the commander of Alpha Battery, 2<sup>nd</sup> Battalion, 142<sup>nd</sup> Fires Brigade located in Van Buren, AR. Since my mobilization for Operation Iraqi Freedom II in October of 2003, I have remained in a full time military capacity in the Arkansas Army National Guard. During OIF II, I was assigned as the Fire Support Officer for Bravo Company, 1<sup>st</sup> Battalion, 153<sup>rd</sup> Infantry Regiment, 39<sup>th</sup> Brigade, Combat Team, Arkansas Army National Guard. My battalion was attached to the 3<sup>rd</sup> Brigade Combat Team, 1<sup>st</sup> Cavalry Division serving in Baghdad, Iraq. We were responsible for zone 14W in the Karadah District of Baghdad where we remained for 12 months. My responsibilities included coordination with local leaders of the Neighborhood and District Advisory Councils, supervising the rebuilding projects in our Area of Operations, Information Operations as well as conducting routine patrols and raids in our sector.

Approximately one month prior to our redeployment back to the United States, me and all the members of my unit began receiving briefings and health assessments to identify both the physical and mental health needs of our soldiers before we returned home. When we arrived at Fort Sill, Oklahoma in March of 2005, we received more thorough health assessments and also received counseling sessions that were designed to

assist us and help ease our reintegration with our families. We also received contact information in case we desired additional assistance after returning home.

In Fort Sill we were briefed on the benefits available to us to include VA, dental, education and help in finding jobs. The demobilization process took approximately 2 weeks and the adjustment to being back home is still ongoing one year later even as my unit prepares to deploy in support of OIF. At this time I am not currently receiving any type of assistance that was briefed to me during the redeployment. However, I have scheduled an appointment and plan to enroll at the VA in the near future in case of any medical conditions that may arise as a result of the deployment.

In my opinion, the Transition Assistance program is greatly needed and may need some adjustments and, in some cases, expansion. The briefings delivered to my unit were done so professionally and were informative. However, my suggestion would be that the briefings are initiated at an earlier period of the deployment. One of the problems most often encountered while receiving briefings and counseling at Fort Sill, Oklahoma, was that family members of soldiers would be waiting outside for the soldier to be released. In my opinion, this causes soldiers to answer questions prematurely and without much thought. If the briefings were started at an earlier time this would allow soldiers more time to become familiar with the program and give them an opportunity to develop any questions or concerns they or their families may have regarding their benefits or seeking additional assistance.

In closing, I want to again express my appreciation to the Chairman and the Subcommittee for the opportunity to speak with you today and would be happy to answer any questions that you may have. Thank you.

**STATEMENT BY****1<sup>st</sup> LIEUTENANT DWAYNE K. PAGE****2<sup>ND</sup> PLATOON LEADER, CHARLIE BATTERY****2<sup>ND</sup> BATTALION, 142<sup>ND</sup> FIRES BRIGADE****EXECUTIVE SUMMARY ON TRANSITIONAL ASSISTANCE****22 MARCH 2006**

I was the Fire Support Officer (Information Officer) attached to Charlie Company, 1<sup>st</sup> Battalion 153<sup>rd</sup> Infantry. Once in country, my company was attached to Task Force 1<sup>st</sup> Battalion, 9<sup>th</sup> Regiment Cavalry. I believe that the transitional assistance should be conducted in Kuwait, during the cool down period, not immediately after we arrive in the United States. All of the soldiers have been on a year long adrenaline rush and the only thing that is on our minds is getting home and resting. I also believe all of the benefits need to be consolidated on one sheet of paper, not fifteen to twenty different flyers. There should also be a phone number on this paper for any soldiers with concerns or questions. Since I have been back, the Arkansas National Guard has provided me with a job and great leadership training. I'm looking forward to a second successful mission with 2<sup>nd</sup> Battalion and 142<sup>nd</sup> Field Artillery Fires Brigade.

**TESTIMONY OF  
1<sup>ST</sup> LIEUTENANT DWAYNE K. PAGE  
FIRE SUPPORT OFFICER/INFORMATION OFFICER  
CHARLIE COMPANY 1<sup>ST</sup> BATTILION 153<sup>RD</sup> INFANTRY BRIGADE**

22 March 2006

Mr. Chairman and the Members of the Subcommittee: Thank you for the opportunity to express my thoughts about the re-deployment process, while I was attached to the 39<sup>th</sup> Infantry Brigade.

My name is 1<sup>st</sup> Lieutenant Dwayne Page and as a member of the Arkansas National Guard I was appointed as the Fire Support Officer (Information Officer) for a motorized infantry company that served in the heart of Baghdad during the combat operation of Operation Iraqi Freedom II. Operation Iraq Freedom II started October 2003 and ended April 2005. Once my unit moved into Baghdad, Iraq, my company was attached to 3<sup>rd</sup> Brigade Combat Team, Task Force 1-9 Cavalry. Although my unit was trained as a motorized infantry company we performed the operations of a light infantry unit in the neighborhoods surrounding the well known Haifa Street. My job was to promote the progress of the coalition and provide the local Iraqi people information regarding the process to a successful election, as well as teaching the benefits of democracy and freedom. I was also in charge of debriefing combat patrols and conducting investigation on possible insurgents operating in my Task Force area of operations.

Just before we left the country we had a mandatory cool down period in Kuwait. It lasted about a week and a half of doing nothing but taking it easy. Once we arrived at Fort Sill, Oklahoma we were escorted to a field house to reunite with our families and friends. We

were then released until the next morning. The next morning we were given classes and counseling sessions which lasted the majority of the day. This was about a five day process. I do remember that the counselors were stressing that we would have expectations of everyone, our friends, and our loved ones. And these expectations would be the root of our post deployment stress. I cannot recall the majority of the benefits and classes that were offered to us during this time of the post deployment phase. Like many soldiers, I knew that my loved ones were waiting in the parking lot for me to complete the classes. So I found it very difficult to focus on the instructors or the counselors.

The state and federal actions that were taken during the post deployment were great, except for the timing. The counseling classes would have been more effective if they would have been conducted in Kuwait, before we came home. As far as the benefits, most soldiers don't know what all they are qualified for. A great way to inform the soldiers of the benefits is to consolidate all the benefits on one sheet of paper in a list format. Then put a toll free telephone number on the bottom of the flyer for anyone who may have any questions or concerns about the benefit. But the key is to consolidate the information all on one page. I must have received fifteen to twenty different flyers that I pretty much put in a bag and never look at. With all due respect, we as soldiers had other things on our minds. We just came from a country where we were on an adrenaline rush for a year straight. All we cared about was going home and resting. I would suggest about two to three months after the deployment using drill weekends to conduct these post deployment classes. This would help identify the problems some of the soldiers are facing after leaving the combat zone. We as a unit have had a couple of counseling sessions since the end of the deployment, which were great in identifying problems the

soldiers may have. But I found the best counseling came from talking with my soldiers. I have ran into many of my soldiers since the end of the deployment and I always walk away from the conversation feeling like a weight being lifted off of my chest.

Once my deployment was complete I transferred back to my original unit - the 2<sup>nd</sup> Battalion, 142<sup>nd</sup> Brigade. I was then asked if I would like to go to Fort Sill, Oklahoma to conduct my Captain's Career Course, which I accepted with honor. I then came back to Arkansas and was deployed to Fort Chaffee, Arkansas for Operation Katrina. During Operation Katrina my job was to provide a logistical support to the hurricane victims. Once my orders ended at Fort Chaffee I was then deployed to New Orleans, Louisiana to help clean up the damaged homes. Once I completed my duties in New Orleans, Louisiana I returned back to my hometown of Benton, Arkansas. After New Years Day, I began working for the 2<sup>nd</sup> Battalion of the 142<sup>nd</sup> Brigade located in Fort Smith, Arkansas. And I have been there ever since. Now I'm preparing myself for a second successful mission to the Middle East.

I know the United States and the state of Arkansas is doing everything in its power to get my life back on track and I truly appreciate the diligent work. But I think it would have been more effective if the presentations were given in Kuwait and/or two to three months after the deployment. Additionally, I would suggest the development of a consolidated list of all of the benefits available.

I would like to thank you for allowing me to speak on behalf the American soldiers and the Arkansas National Guard.



**STATEMENT BY  
MSGT BRYAN L. PETERS  
NON-COMMISSION OFFICER-IN-CHARGE, PERSONNEL READINESS**

Executive Summary

Providing Transitional Assistance to our redeploying members is a top priority for the 188<sup>th</sup> Fighter Wing. When our members redeploy they need to know that we have their best interests in mind. The 188<sup>th</sup> Fighter Wing has members deploying and redeploying on an almost continual basis, therefore we are constantly providing Transitional Assistance.

The key to providing proper Transitional Assistance is preplanning. We begin to prepare for our members redeployment immediately upon their departure to the AOR. We have meetings with all of the key players and also invite those members who have either deployed in the past or just recently redeployed from the Area of Responsibility (AOR) to insure that we have all of our bases covered.

Once we have a plan of action, we continually try and find ways to improve and hone our processes to insure that our redeploying members are provided the best service possible.

The way we in-process our member depends on the number of individuals that we have redeploying. If we have big groups of 30 to 40 or more then we set-up a processing line to in-process our members. On this processing line we have stations, including Finance and Medical Sections. While processing through these stations, we try and insure that the members complete everything, if possible.

The biggest key to providing our members with the best Transitional Assistance is to allow them to be greeted by their families as they came off of the plane. Allowing the members to in-process at their leisure after spending time with their families made the in-processing a little more relaxed and less stressful for the redeployed members.

Having been deployed this last year, I can tell you that our Transitional Assistance process works no matter how big or small the redeploying group may be. Having everyone process through the same sections and complete the same in-processing checklist, we insure all of our members receive the same Transitional Assistance.

As with any process, there is always room for improvement and as long as we know this we will continue to improve our processes.

Providing our redeploying members with the best possible Transitional Assistance will always be a top priority of the 188<sup>th</sup> Fighter Wing.

**TESTIMONY OF**  
**MSGT BRYAN L. PETERS**  
**NON-COMMISSIONED OFFICER-IN-CHARGE, PERSONNEL READINESS**  
**188<sup>th</sup> FIGHTER WING**  
**ARKANSAS AIR NATIONAL GUARD**  
**BEFORE THE**  
**COMMITTEE ON VETERANS' AFFAIRS**  
**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**  
**NATIONAL GUARD ARMORY**  
**ROGERS, AR**

**March 22, 2006**

Congressman Boozman and Congresswoman Herseth: My name is MSgt Bryan Peters, Non-Commissioned Officer-in-Charge, Personnel Readiness, 188<sup>th</sup> Fighter Wing, Arkansas Air National Guard, and I am honored to be here on behalf of the Arkansas Air National Guard, to discuss Transitional Assistance of our members upon their return from combat. I will be addressing our program as both a deployed member and someone who plays an integral role in the in-processing of unit members when they return from combat.

In 2005, the 188<sup>th</sup> Fighter Wing deployed over 400 airmen to 16 different locations around the world. When we deploy members, we may deploy a group of 300 to one location and then deploy groups of two or three individuals to several other locations. Most of our deployments are these small groups and single individuals. When we prepare to provide our members transitional assistance, we prepare to provide all of our members the same service no matter how big or small of a group that may have deployed.

As you may know, the Air Force has Aerospace Expeditionary Force (AEF) rotations. These AEF rotations allow units to know that they are going to

deploy every 15 to 18 months. When I say units, I am talking about the big groups of 300 or more individuals. The units also know well in advance where they are going to deploy and how long they are going to be gone so it makes it easier to prepare for the deployment.

Deploying every 15 to 18 months allows us to better prepare to provide transitional assistance to our members because we do not have lengthy periods of time in between deployments. Also, since we deploy small groups and single individuals on an almost continual basis to fill the AEF requirements of Active Duty and other Air National Guard and Reserve units, we are constantly providing transitional assistance. In deploying these small groups it also allows more one-on-one interaction in discussing transitional assistance issues.

To start our transitional assistance we have meetings with all of the key players to discuss what the returning members would need. Several members who deployed in the past brought their ideas on what redeploying members need. We also had several members who just returned from deployments bring their ideas on what redeploying members need. Once we developed our game plan, we had several more meetings to hone our processes.

When our members return home in big groups we set up an in-processing line. On this in-processing line, we have stations, including Finance and Medical sections. When members process through the Finance Station they fill out their final travel voucher and decide whether or not they are going to take their accrued leave. When members process through the Medical Station they have blood drawn, they turn in their post-deployment questionnaires and deployed medical records (the post-deployment

questionnaires are filled out in country and ask questions about how your health was while you were deployed, if you visited the medical section while you were deployed, if you had any non-combat related injuries or if you have any concerns that need to be addressed before you return home), they fill out the paper work to enroll in Tricare Prime once their orders end and they start their Transitional Medical Care. Family Readiness has a table set up to provide handouts on VA Benefits. We also provided a handout to our Civil Service Technicians that deployed. We also provided handouts concerning Awards and Decorations as well as DD Form 214s.

The biggest key to the success of our in-processing and the start to our transitional assistance was to allow our returning members to be met by their families. We had the families meet at the hangar and allowed them to hang welcome home signs and other patriotic items. We also allowed them to stand outside the hangar and see the plane when it landed and taxied onto the tarmac where they would unload. We understood that family was probably the most important thing for the members to see first. When they allowed the members to spend time with their families and start their in-processing at their leisure. To our surprise, many of the members hugged and kissed their families and started the processing so they could get done and go home and spend time with them.

Having been deployed this past rotation as a group of two to Karshi-Khanabad, Uzbekistan, I can tell you that our process does work no matter how big or small the group. Although I had to walk around to the different areas to complete my in-processing I felt that I was treated with the same importance as those in the big groups who went through a processing line. When small groups and single individuals

in-process we do not have the processing line set up but we do have a standardized checklist that all members use when they in-process, ensuring that they process through the same sections they would process through in an in-processing line.

Advantages that we had in preparing for the transition back from the AOR included having clear guidance from the Air Force MAJCOMs on leave and downtime policies upon return, and knowing when the members would be arriving back at home station enabling us to have the processing line already set up for the large groups.

Some of the issues we had included the following: Demobilization requests for those members that were partially mobilized takes too long. No doctor was present to talk or evaluate those individuals that had non-combat related injuries. We should have had briefings to go along with the handouts and the need for a quicker way to accomplish DD form 214s.

**Statement by John Rothwell****Specialist (Dismount/Gunner) Arkansas Army National Guard****Executive Summary on Transitional Assistance****22 March, 2006**

The help I've received since returning from Iraq has come in many forms. I've truly been helped by more persons and organizations than I can list. So I will focus on a small number and apologize for all that I don't mention. To me the first line of support comes from other soldiers. The Army and specifically the Arkansas Army National Guard is like no other organization that I have been a part of. When adversity arrives I have peers and superiors who will do whatever it takes, here just as in Iraq. A select group of soldiers that I have great admiration for is the Chaplains. They are the calm in the storm and are very adept at keeping things in perspective. A specific program that has increased my well being and Soldier-ability is the Community Based Health Care Organization (CBHCO). This organization was designed to correct medical conditions that would make Title 10 soldiers non-deployable or non retainable. And it allows the soldier to recuperate at home using locally available options. Since I have entered into the CBHCO program I have received comprehensive medical attention that has been rapid and effective in its approach. I have a Case Manager who guides me through the process and a Chain of Command who insure that I maintain a military bearing. I have a Primary Care Provider who is a Doctor that treats me or refers me to other Health Care Specialists. In my case I believe that the CBHCO has greatly increased the likelihood that I will have further achievements within the Military.

**Statement of John Rothwell**  
**Specialist (Dismount/Gunner) Arkansas Army National Guard**  
**Before the U.S. House of Representatives**  
**Committee On Veterans' Affairs**  
**One Hundred Ninth Congress**  
**22 March, 2006**

Chairman and Committee Members, I am Specialist John Rothwell of the Arkansas Army National Guard and I thank you for the opportunity to speak here today. I will be sharing a brief description of my time in Iraq and of the Transitional Assistance I have received since returning.

After being out of the military for thirteen years I had the good fortune of being allowed to serve in Iraq with the 39th Infantry Brigade. I was stationed at Camp Taji, just north of Baghdad. My first six months there I worked in the Operations Center and was a Company Commanders' Driver. When I came home for my mid-tour leave Congressman and Mrs. Boozman were kind enough to have dinner with me and my family. In fact many people showered me with more attention than I could have imagined, and I returned to Camp Taji "recharged".

The last half of my tour I served in a Counter Improvised Explosive Device ( I.E.D.) Platoon. Our job was to search the streets and highways for roadside bombs. We were honored to patrol downtown Baghdad the day of the historic first election. I must mention that my friend SPC. Lyle C. Rymer was killed while bravely setting up protection for a voting site. At one point during the Election Day, my platoon and I were securing an area around a bomb placed by



terrorists near another voting site. I was in much pain and frustration over the loss of Lyle Rymer. An Iraqi kid came over to me and wrapped his arms around my leg and said, "Hey Mister, I love you!" The Iraqi children frequently brought joy to my day and helped to remind me of why I was there.

When I returned to the United States. I attended many briefings and was impressed by all the assistance being offered. But I didn't accept much help because my heart was set on returning to Iraq. After being home a couple of months I began requesting that I be allowed to return to duty. Soon I was picked up by Bravo Battery 1<sup>st</sup> Battalion of the 142<sup>nd</sup> Field Artillery Brigade and began training at Ft. Lewis, WA. In some ways the training was more rigorous than actually being in Iraq. I was still banged up from my recent tour but did not want to admit that I was having problems. Eventually my difficulties reached the threshold that the leaders of Bravo Battery, though under manned, graciously allowed me to stay behind and get help.

I was then enrolled in the new Community Based Health Care Organization (CBHCO). This allowed me to come home and be seen by local health care providers. Also many of the people who administer the CBHCO program at Camp Robinson, AR were with me in Iraq and I will always have a special bond with them. This program has insured that I get comprehensive medical care. My specific problems have been rapidly identified and treated. If not for CBHCO I would have had to remain at Ft. Lewis, 2500 miles from my family, for six months. Having the loving support of family and friends has shortened the recovery process and helped me to heal in many ways. Before CBHCO I was fearful that I would be discharged from the military, but now I believe that I have more service ahead. I feel that this program has saved me.

My transition from combat to civilian to training, in just a few months time, has been stressful. But the Arkansas Army National Guard has my best interests at heart and in time I believe that I will be allowed to return to duty. I know that I went into Iraq thinking one thing and left thinking another. For the most part the more I got to know the Iraqi people, the more I understood them and cared for them. I am thankful for the opportunity to serve and to be a part of something larger than myself.

Chairman and Committee Members, thank you again for hearing my testimony today.

**STATEMENT BY**  
**BRIGADIER GENERAL LARRY W. HALTOM**  
**DEPUTY ADJUTANT GENERAL, ARKANSAS NATIONAL GUARD**

**22 March 2006**

Executive Summary

Transition Assistance is a critically important component in our efforts to take care of Service Members. The interest and concern by the President, Congress, Department of Defense and Senior Leaders within the Armed Forces for our men and women returning from difficult missions is reflected in these benefits and the timeliness of their receipt is critical to each member and their family.

The Arkansas National Guard supports the initiatives planned or currently underway to improve the effectiveness of the Transition Assistance Program.

Service Members should receive Transition Assistance while at home station whenever possible. Many of the decisions made during the Transition Assistance Program briefings and programs of instruction are family based, as opposed to individual soldier decisions. Family Support Centers of the National Guard have arrayed a number of community based organizations and volunteer service organizations that create a significant synergy when Transition Assistance Programs are considered at the local community and State level. These organizations can compliment the VA, DOD and DOL programs.

Much has been done by Congress in the past three or four years, as well as many other Federal departments, agencies, and activities to initiate or improve programs to support Reserve Component soldiers who have deployed. Challenges remain however: we need more TRICARE providers in Arkansas; TAMP should include TRICARE Prime Remote or TRICARE Prime Remote for Active Duty Family Members; the price of the TRICARE Dental Program should be reduced; we need funding for temporary Case Managers and Referral Managers; PDHRA referrals should be processed through the Military Medical Support Office instead of the VA; we need funding to place soldiers on orders to go to appointments; and we need funding to bring service members back on duty long after redeployment to address late-developing issues.

Many of our service members are changed for life by their experiences during mobilization and deployment. Transition Assistance Programs are critical to their successful reintegration into society, and letting them know that their country cares about their welfare.

**STATEMENT BY**  
**BRIGADIER GENERAL LARRY W. HALTOM**  
**DEPUTY ADJUTANT GENERAL**  
**ARKANSAS NATIONAL GUARD**  
**22 March 2006**

Chairman Boozman, distinguished members of the subcommittee, I am Brigadier General Larry W. Haltom, Deputy Adjutant General, Arkansas National Guard, and on behalf of Major General Don Morrow, the Adjutant General, thank you for the opportunity to speak with you today on such important topics.

The location of the hearing is most appropriate, as this is the home of Battery C, 1<sup>st</sup> Battalion of the 142d Fires Brigade of the Arkansas National Guard. This unit deployed for service in Iraq on 18 March 2006. The unit has spent over three months at their mobilization station preparing for their mission. They will spend an additional twelve months in places that possibly will put them in harm's way in support of Operation Iraqi Freedom. At present, the Arkansas Army and Air National Guard has over 900 members serving our country in various locations around the world, but primarily in the Middle East.

Since 9/11, over 7,500 Arkansas Army and Air National Guard members have been mobilized in support of missions such as airport and key asset security; Multi-National Task Force in the Sinai, Operation Noble Eagle; Operation Enduring Freedom; and Operation Iraqi Freedom. We have also recently expended over 120,000 man-days in a 6-month period for Hurricanes Katrina and Rita response and recovery operations. Approximately 85 percent of our members have been mobilized since September 11, 2001.

Transition assistance is critically important in our efforts to care for our service members. The effectiveness of any transition assistance program holds significant

implications, not only for our service members and their families, but also for the long term health of our organization as a whole – which in turn impacts our ability to support the National Military Strategy and provide support to local and state authorities. The interest and concern of our elected officials and military leaders is reflected in available benefits and the timeliness of support to our returning service members.

A successful Transition Assistance Program (TAP) cannot be just *an after the fact* process. We have learned that it must begin with the briefings and processing actions upon alert and mobilization phases, as some benefits require that the members apply before he or she leaves the state. Upon mobilization, we conduct readiness processing to ensure service members are ready and qualified to enter into active federal service. We also try to identify and resolve any issues that may have the potential to become problematic. During this phase, members undergo medical and dental checks; immunization review; personnel files review; supply review; legal reviews; dependent enrollment into the Defense Enrollment Eligibility Reporting System (DEERS); and a session with a chaplain, if so desired.

While our service members are deployed, we continue to stay in touch and provide assistance where possible. Through our Family Support Program, we have Family Assistance Centers (FACs) established across the state. The FACs are there to provide guidance, assistance, and support to the family members of our deployed troops. For example, if a spouse's car breaks down, the family can call a FAC. The FAC has a list of local businesses that have volunteered to provide services at a reduced price or provide free labor. Family Support workshops are also conducted for spouses and family members in order to educate them on what to expect from their loved one when he or she returns home from deployment. When soldiers and airmen know their families are taken care of at home, they are better able to focus on their mission at hand.

As the deployment in-country nears the end of the rotation, Chaplains give a mental health briefing to provide information on re-acclimating themselves back to civilian life.

A medical assessment is completed and other briefings, such as finance, are also conducted.

Upon arrival at the demobilization center in the U.S., our service members normally receive a brief "Welcome Home" ceremony and the demobilization process begins shortly thereafter. The demobilization process is critical due to some benefits require that the member apply before he or she leaves mobilized active duty status. Many staff members from the Arkansas National Guard, staff from the active duty installation, representatives from the Veterans Administration and Department of Labor all work hand-in-hand to conduct the demobilization. Some of the actions taken during the demobilization phase are medical and dental screenings, ensuring records are documented, and scheduling consultations as needed. In addition, briefings, hand-outs, and training are provided on: VA benefits, Employer Support for the Guard and Reserve and Department of Labor information; education benefits, TRICARE, family reunion training, suicide awareness and prevention, potential changes in relationship/communication with spouse and children; marital enrichment assessments; post deployment stress and normalization of experience information. Identification cards are reviewed for any necessary updates, and DD Form 214s (Certificate of Discharge or Release from Active Service) are initiated on each service member.

After the service members have cleared all the requirements from the demobilization center, they return home to their families, but the demobilization process doesn't end here. The next phase is back at their home unit and consists of spiritual and legal assistance for problems arising from, or aggravated by, mobilization. Married service members complete a marital assessment, and a voluntary marriage education/enrichment workshop is offered for those who wish to participate. For spouses who wish to participate, we offer information on post-deployment and stress; TRICARE benefits; and suicide awareness and prevention. During this period, and for some months afterwards, the chain of command actively seeks to assist service members who have displayed higher than normal levels of stress, or if we receive reports of families with separation and/or reintegration issues. Chaplain support during

this period is vital to assist service members with reintegration with their families and to aid them in returning to their pre-mobilization life.

We have recently hired a State Benefits Advisor (SBA) to assist with the Transition Assistance Program. The SBA, along with all benefits providers and a multitude of Veterans Service Organizations, are there to work with the service member to ensure they are aware of all benefits available to them. Our SBA will be an incredible asset in assisting with future mobilizations and demobilizations.

Much has been done by Congress over the past few years to provide the Reserve Component members TRICARE benefits. For example, Transitional Assistance Management Program (TAMP) coverage to 180 days for all service members; TRICARE Reserve Select where service members can purchase TRICARE coverage at a very reasonable rate, 1 year for every 90 days of mobilization service; and Pre-Mobilization TRICARE coverage have been of tremendous help. However, there are still some challenges:

(1) Short-notice mobilizations prevent service members and dependents from taking full advantage of the 90 days of pre-mob TRICARE.

(2) There are not enough TRICARE providers in Arkansas. We believe that incentives should be offered for physicians and medical facilities to become TRICARE network providers.

(3) Under TAMP, the 180 days of TRICARE coverage after a mobilization ends, does not include TRICARE Prime Remote or TRICARE Prime Remote for Active Duty Family Members.

(4) The TRICARE Dental Program administered by United Concordia has two price schedules, one for the Active Duty and one for Reserve Component members. The Reserve Component price is more than double the Active Component price. Dental readiness is the number-one disqualifier for mobilization.

In March 2005 the Assistant Secretary of Defense (Health Affairs) directed that Post Deployment Health Re-Assessments (PDHRA) be conducted for all soldiers deployed



for greater than 30 days in support of contingency operations. These assessments are ideally conducted three to six months post deployment, which is the most likely timeframe for post deployment health issues to emerge.

We were very fortunate to have our 39<sup>th</sup> Infantry Brigade Combat Team (IBCT) selected as the pilot program for the Army National Guard. The 39th IBCT began the PDHRA in November 2005. We have experienced a 50% referral rate from the PDHRA, with 20% being for medical issues only, 8% being for mental health issues only, and 21% having referrals for both medical and mental health issues. Referrals were primarily worked through the VA hospital, VA satellite clinics, and the Vet Centers. If no VA system clinic was available within 50 miles of the soldiers' home then they were referred through the TRICARE system.

It is important to remember that this was the pilot program for the entire Army National Guard. The VA has worked very well with us, has made adjustments along the way, and the program is getting better. We believe however, there are some areas that could be improved:

- (1) Funding for temporary Case Managers and Referral Managers would greatly improve our program as the case loads have exceeded our available manpower.
- (2) Funding to place soldiers on orders to go to their appointments, instead of split-training them away from unit drill periods.
- (3) We recommend that PDHRA referrals be worked through the Military Medical Support Office (MMSO) instead of the VA. This is the standard system for acquiring medical care for activated Reserve Component members and provides us with the documentation and tracking mechanism needed to provide proper care. The referral system for soldiers under PDHRA should not differ from normal operating procedures.

We believe that conducting the PDHRAs is the right thing to do, and obviously with the current 50% referral rate it is a vital program. Reserve Component members mobilized in past wars and conflicts were left to deal with these post deployment problems on their

own. The PDHRA system provides a viable means for these soldiers to be evaluated and receive needed treatment.

Community Based Health Care Organizations (CBHCO) were established in January 2004 in an effort to expeditiously and effectively evaluate and treat Reserve Component soldiers that have incurred medical problems, in the line of duty, while mobilized for the Global War on Terrorism. There are eight CBHCO's providing case management and command and control for these soldiers while they reside at home, receive local medical care, and perform limited duty in local military facilities. The care is provided using TRICARE, VA Facilities, Navy and Air Force Medical Treatment Facilities.

The CBHCO in Arkansas is responsible for the Mid-Southern States (AR, OK, LA, MO, TX, NE, and KS). Soldiers in-process at the CBHCO at Camp Robinson, then proceed to their home of record. Individualized medical treatment plans are established for each CBHCO patient by Army Medical Officers.

CBHCOs provide a great service to our soldiers. Returning home for the remainder of medical care allows reunification with family and friends, allows soldiers to maintain their self-worth while on limited duty, reduces undue financial hardships on families, and provides continuity of care that will be important after the soldiers are released from active duty or separated from the service.

To date, CBHCO-AR has in-processed over 700 Soldiers. There have been 218 Arkansas Army National Guard soldiers and 19 U.S. Army Reserve soldiers from Arkansas that have been a patient with CBHCO-AR. Without CBHCO, those soldiers would have been in a medical-hold status in another state away from their family. The program provides the Reserve Component soldier with the same benefit of living at home while recovering that active duty soldiers receive.

The Montgomery GI Bill is a very complicated program with many variations depending on the various sub programs and the service member's particular situation. One of the

complicating factors is that each service component manages their program differently. For instance, in the active Army, a soldier cannot use Federal Tuition Assistance (FTA) and GI Bill together unless the cost of tuition exceeds the funds provided by one program and then the additional amount from a second program can only be used to cover the remaining cost of tuition. In the Army National Guard, soldiers can use any of the GI Bill programs and FTA at the same time. The Army National Guard views the GI Bill as a program to cover the additional expenses of college beyond the tuition cost.

In addition to the Montgomery GI Bill and Federal Tuition Assistance, Arkansas currently offers the Guard Tuition Incentive Program (GTIP), a state program funded biennially by the state legislature. It is currently funded at \$500,000 per academic year. GTIP provides assistance benefits for Soldiers and Airmen attending Arkansas Colleges and Universities at a rate of \$1,000 per semester for a full-time student. It is pro-rated for less than full-time and students who receive tuition assistance from other programs. About 450 Army and Air Guardsmen receive the GTIP each semester.

In addition to these programs, the State of Arkansas recently formed the Arkansas National Guard Education Partnership Program. Under this program, partnership schools waive 25% of tuition and fees for the Air National Guard (the Air Guard does not provide FTA) and for the Army National Guard they waive all tuition cost that exceed the \$4,500 a year FTA limit. Currently, we have 33 partnership members.

Over the last two years, the Arkansas National Guard Education Office has done a tremendous job providing help to Guardsmen with the transition process. The only reoccurring issue has been a number of complaints about the National Guard's policy concerning after-service benefits. Unlike the active components, members of the Guard and Reserve must maintain membership in order to remain eligible for benefits. The number one program that this issue has been associated with is the Chapter 1607 GI Bill. Although we empathize with Guardsmen who desire to separate from the National Guard and retain eligibility for benefits, we understand that benefit policies are often

fashioned in order to maximize a high number of reenlistments. GTIP, FTA and the GI Bill require Guardsmen to remain members of the Guard in order to retain eligibility.

Many of our service members are changed for life by their experiences during mobilization and deployment. Transition Assistance Programs are critical to their successful reintegration into society and letting them know that we care about their welfare. Most service members are not paying a lot of attention during the many briefings during the de-mobilization process, as they are only thinking of their family and home. Therefore, we believe that these programs could be improved by allowing returning service members to remain on active duty at home station for a period of time, possibly pro-rated based on the time spent deployed. This time would allow closer monitoring of their situation and better education as to what is available for them. In fact, the 90 day post deployment ban on being on duty may actually be counter-productive. We have found that our service members wanted to continue to spend time with their fellow service members. They were their own support group.

Some needs of support, like Post Traumatic Stress Disorder (PTSD), do not manifest themselves until the service member is fully immersed in civilian life, sometimes months later. For that reason, we need the authority and funding to bring service members back on duty, if needed, to officially resolve these late-developing issues.

Again, thank you for your continued interest in the welfare of our soldiers and airmen from the Guard and Reserve – true American patriots who continue to answer their country's call for duty. Pending your questions, this concludes my testimony.

**STATEMENT OF  
DONALD L. WATSON**

**DEPUTY REGIONAL ADMINISTRATOR, DALLAS REGION  
VETERANS' EMPLOYMENT AND TRAINING SERVICE  
U.S. DEPARTMENT OF LABOR**

**BEFORE THE**

**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES**

**MARCH 22, 2006  
ROGERS, ARKANSAS**

Mr. Chairman and members of the Committee:

Thank you for the opportunity to appear before this Committee to discuss the collaboration between the U.S. Department of Labor (DOL) Veterans' Employment and Training Service (VETS) and our state partners in providing transition assistance for the Arkansas National Guard.

I have been asked to appear before you today to discuss transition assistance for Arkansas National Guard members returning from the Global War on Terror. As you are aware, our DOL State Director, Mr. Byran Gallup, recently passed away. Bryan was a true advocate for veterans in Arkansas and he will be missed by us all, but especially by the veterans of Arkansas. The veterans of Arkansas appreciate the leadership you bring, Mr. Chairman, in addressing their transition and employment needs.

The State of Arkansas has deployed over 3500 National Guard members in the Global War on Terror in the last twelve months. The majority of these troops have returned to their home States within the past 12 months. As a result of the influx of these returning National Guard members, we recognized the need to respond to their transition needs, including briefings on their rights and obligations under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

**Actions:**

VETS responded by taking the lead and provided employment and assistance briefings at the demobilization sites. These briefings were held along with other federal and state partners, including the State Workforce Agency (SWA), the Department of Defense, Department of Veteran Affairs, Employer Support for the Guard and Reserve (ESGR), and others.

The two major demobilization locations in the Dallas Region are Fort Sill in Lawton, Oklahoma and Fort Carson in Colorado Springs, Colorado. Most of the returning Guard members from Arkansas receive these employment assistance briefings at these two sites. Over 8,000 returning National Guard members and Reservists, including many from Arkansas, were briefed by VETS in 2005.

Each VETS' briefing covers the Uniformed Services Employment and Reemployment Rights Act (USERRA), Transition Assistance Program (TAP) employment workshop classes, and information on how to access employment and training assistance through the State Workforce Agency. This includes information about the Disabled Veteran Outreach Program (DVOP) and Local Veteran Employment Representative (LVER), as well as priority service in all DOL funded programs.

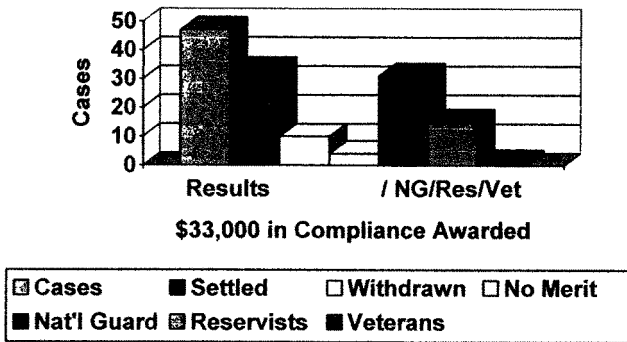
In addition, our two assigned Arkansas VETS staff, in partnership with ESGR, VA, and the SWA, traveled to 18 separate armories in Arkansas to brief National Guard groups and individuals. An estimated total 30,000 troops (active duty, National Guard and Reserves) and family members have attended statewide celebrations, job fairs, local armory briefings, and other public activities during the past year in Arkansas.

Last year, all VETS' State Directors (DVET) contacted the Adjutant Generals of each state offering to provide "on demand" TAP employment workshops for returning National Guard units. On demand transition employment assistance is a high priority for VETS. The training is scheduled for the convenience of the Guard units. The training is also tailored to the needs of the Guard unit members that are transitioning. As a result of these briefings issues regarding reemployment rights were discovered.

#### **USERRA Results for the State of Arkansas:**

The following chart show the number of USERRA cases in Arkansas over the past two years:

## 2004-2005 USERRA Cases



47 Total USERRA cases 2004-2005

Sources:

31 Cases from National Guard members

15 Cases from Reservists

1 Case from a veteran

### Challenges:

There are a number of challenges involved in getting important benefits information to returning Guard and Reserve members. These challenges include:

- Troop rotations can be sporadic and each demobilization briefing may contain troops from several states, making state-specific information difficult.
- Federal and state veterans' benefits are complex. Upon their return, the Guard and Reserve members are provided detailed information about benefits to which they are entitled; this "overload of information" may be confusing and overwhelming. Returning troops tend to be anxious to get home after an extended absence and can miss pertinent information or misunderstand its application to their individual situation.
- Eligibility for some entitlements is time sensitive. For example, under USERRA, if the period of service was more than 180 days, in most



cases the returning service member must apply for reemployment within 90 days after completing the service.

In response to these challenges, VETS has ensured that visits to the armories are conducted subsequent to the demobilization briefing. This allows the individual needed “down time” and helps ensure a more receptive audience.

During the briefings, emphasis is placed on the time sensitivity of notifying a pre-service employer of the service member’s intent to seek reemployment, and service members are provided written material on their employment and reemployment rights and responsibilities, as well as information on how to access USERRA advisor on elaws ([www.dol.gov/elaws](http://www.dol.gov/elaws)). We also are in the process of developing new materials to be put in the hands of these individuals that provide needed information about DOL’s USERRA regulations and other information.

Employment services are available through the Career One-Stop delivery system for returning Guard and Reserve members. The “Key to Career Success” campaign, recently launched by the Employment and Training Administration in partnership with VETS and the Department of Defense (DoD), is also helping returning Guard and Reserve members connect to employment and supportive services available through the Department of Labor. This campaign employs a wallet card that highlights a service member’s “special” status upon arrival at their local One-Stop Career Center, and contains important information about DOL services and electronic tools.

Over 250,000 “Key to Career Success” Cards and brochures were provided to all DOL and DOD Transition Assistance locations in the U.S. and abroad in February 2006. Each VETS regional office has also been provided with 5,000 “Key to Career Success” cards and brochures to ensure that they are available to demobilizing Guard and Reserve members. For example, “Key to Career Success” cards have already been provided to Guard and Reserve members at a recent demobilization in Alaska. We are currently working on other strategies to get these new cards in the hands of service members at the earliest possible time.

## Conclusion

The commitment by our agency and our Arkansas work force benefits and other partners to the goal of providing maximum assistance to each Guard member is absolute. It is only by working together, and by working across agency lines, will we see better outcomes and better service to Arkansas veterans.

We are currently preparing for similar activities in Texas where an estimated 3,500 to 4,000 National Guard troops are projected to return at the end of March 2006.

I would be pleased to respond to any questions.

**TESTIMONY OF  
DOYLE BATEY  
DEPUTY DIRECTOR,  
ARKANSAS DEPARTMENT OF VETERANS AFFAIRS  
BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES  
MARCH 22, 2006**

Mr. Chairman and distinguished members of the Subcommittee:

It is indeed an honor to appear before this committee today on behalf of the Director, James Miller, to update you on the efforts of the Arkansas Department of Veterans Affairs to provide Transition Assistance to veterans returning from Operation Enduring Freedom and Operation Iraqi Freedom. With Service officers and support staff located in the Federal VA Regional Office at Fort Roots, North Little Rock, hospital representatives located in Little Rock's John L. McClellan VA Medical Center, and the Arkansas Veterans Home in Fayetteville, and most importantly, County Veteran Service Officers serving in each of the 75 counties in Arkansas, the Arkansas Department of Veterans Affairs offers expert assistance to our veterans.

Our County Veteran Service Officer Program is a major key to our success. In each county we offer professional advice and assistance free of charge. Not only do we advise our National Guard members concerning their VA Benefits, but we also provide information on special employment assistance through the Arkansas Department of Workforce Services, the Veterans preference in state hiring policy, and Homestead and Personal Property Tax Exemptions for those who meet the requirements.

Our County Veteran Service Officers live and work in the community that they serve allowing for a close personal relationship between the Veteran Service Officers and the people they serve. Our agency is somewhat integrated with the National Guard as evidenced by the fact that many of our County Veteran Service Officers are retired National Guard members from the local area that they serve. Several of our "Work Studies" are National Guard Members. Upon return from deployments, National Guard Units are visited by County Veteran Service Officers in order to raise the Units' awareness of the Service Officers availability and to provide benefit claims assistance. These close relationships allow National Guard Commanders to often refer troops by name to our Service Officers.

There are several great programs provided by the Federal Veterans Benefits Administration. The Post Deployment Health Reassessment program (PDHRA), which is the Department of Defense (DoD) mandated force health protection initiative is applauded by our department. This program has been very favorably received. These are outstanding programs that we use to educate the returning troops. In addition, one of our Department's major goals is to provide continuing support. Many Guard members returning from deployment are anxious to reconnect with loved ones and thus Veterans Benefits are not of an immediate concern. By having a County Veterans Service Officer available in each county, we offer a unique service to the veteran, allowing us to provide one-on-one assistance, alleviating the need for the veterans to return to the Guard Unit or to a Veterans Affairs Regional Office in order to receive assistance.

The mission of the Arkansas Department of Veterans Affairs (ADVA) is to provide dedicated service to the veterans of our state, their families and their survivors. Our employees are committed to excellence in assisting with the development of all benefits claims. Veterans are encouraged to take advantage of the professional expertise available through our staff. Our mission is to "Serve those who have served". The Arkansas Department of Veterans Affairs furnishes representation for veterans, widows and dependents.

Some of the many services we provide for all veterans and qualified dependents are:

- Access to the Arkansas Veterans Home, with cost based on individual ability to pay.
- Special Vehicle license plates such as Purple Heart, Prisoner of War (POW) and Disabled American Veteran (DAV), through the Arkansas Department of Finance and Administration.
- Homestead and personal Property Tax exemption for certain veterans through the Arkansas Department of Finance and Administration.
- Advice on Income Tax exemptions
- Veterans Preference in State Hiring
- Tuition Assistance and Fees at state supported institutions of higher education to certain dependents of members who were killed in action, missing in action or prisoners of war.
- Special employment assistance for veterans through the Arkansas Department of Workforce Services.
- Disability Hunting and Fishing License through the Arkansas Game and Fish Commission.
- Counseling and Representation in applying for Federal Veterans Administration Benefits.

- Advice and assistance to bereaved family members of deceased veterans.
- Oversight and management of the State Veterans Cemetery, Veterans' Homes, and County Veteran Services Officers.

Our office consists of five major departments:

- The Arkansas Veterans Home in Little Rock, Arkansas
- The Fayetteville Veterans Home in Fayetteville, Arkansas.
- The Arkansas State Veterans Cemetery in North Little Rock, Arkansas
- The Arkansas Department of Veterans Affairs main office located in North Little Rock, Arkansas
- County Veterans Services Officers located in each of the 75 county seats.

Focusing on the Arkansas National Guard and the services that the Arkansas Department of Veterans Affairs provides for them, our first and most important point of contact is with our County Veteran Service Officers (CVSO's).

The County Veteran Service Officers provide a valuable first contact liaison because:

- Our CVSO's visit National Guard Units as the units return from deployment and go on to provide continuing support.
- Our CVSO's visit the National Guard Veterans, if need be, in the hospitals or homes. Our CVSO's are an enormously caring group who work diligently to meet the needs veterans.
- We bridge the gap for the Guard member who often resides a considerable distance from his/her Arkansas National Guard Unit and the Federal Veterans Administration Regional Office (VARO)
- Our County Veterans Services Officers, like the National Guard, "Live and Work Where They Serve".

Because we have one County Veteran Services Officer assigned to each of the 75 counties, our service and availability is unparalleled. The County Veteran Service Officer, conveniently located in the county seat, is only a phone call away. Each office has published office hours but routinely work outside those hours in order to meet the needs of the veterans. Working together with the County Veteran Service Officer, our service officers have filed an average of 807 claims per month in calendar year 2006. The average monthly rate was 715 during calendar year 2005 and only 654 in calendar year 2004. More

than 4,200 members of the 39<sup>th</sup> Infantry Brigade arrived in Kuwait in March of 2004 for the beginning of their combat tour in Iraq. Those troops arrived back in the states in April of 2005. Since the return of the 39<sup>th</sup>, we have experienced an average increase of over 150 claims per month. Even with the additional claims, our success rate for a favorable ruling on claims is still around 76% compared to a national average of 64%.

It is our desire to provide all veterans transitioning to civilian life with the resources and services necessary to succeed in the 21st century workforce. Our goal is for every Guard member to experience a seamless transition back to civilian life. Mr. Chairman, this concludes my testimony. I thank you for this opportunity to testify.

STATEMENT FOR  
THE RECORD BY  
SARA PATTERSON  
EDUCATION PROGRAM SUPPORT MANAGER  
ARKANSAS STATE APPROVING AGENCY FOR VETERANS TRAINING  
BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
MARCH 22, 2006

**Executive Summary**

Education practices and theories have greatly changed over the last 60 years. In keeping up with these changes, the regulations governing the GI Bill must change to reflect new dimensions in education and training. New regulations should be developed to include larger payments and use of entitlement for short term programs such as truck driving. Changes in processing procedures should be implemented in order to increase timeliness and general efficiency. Organizations providing information and assistance for veterans should develop collaborative relationships in order to provide veterans the most accurate information.



STATEMENT FOR  
THE RECORD BY  
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UNITED STATES HOUSE OF REPRESENTATIVES  
MARCH 22, 2006

## **Introduction**

Chairman Boozman, Ranking Member Herseth, and members of the Subcommittee on Economic Opportunity, I am honored to appear before you today on behalf of the Arkansas State Approving Agency for Veterans Training to provide comments on education benefits for the National Guard and the total military force.

## **Remarks**

The State Approving Agency's (hereafter SAA) primary task remains approving programs in which veterans and members of the National Guard may apply their GI Bill education benefits. As our primary responsibility, the SAA's evaluate the quality of education and training programs within their state. The SAA applies the Code of Federal Regulations (CFR), our guiding manual, when evaluating programs and applying criteria for program approval. Many of these regulations remain virtually unchanged since written in the 1940s and therefore may not reflect the needs of today's recipients. As one can imagine, education practices and theories have changed over the years and perhaps now is the time for the rules governing GI Bill educational benefits to change accordingly, and possibly quite dramatically.

In Arkansas, we have 2080 approved programs scattered among 192 schools and facilities. Through outreach activities, our three person office advises potential qualified facilities on how to obtain approval. We also provide information and assistance to military members separating from the service. Most veterans and Guard members erroneously believe that their education benefits can only be used at colleges and universities. Monthly participants at the Little Rock Air Force Base Transition Assistance Program, a program designed to assist those departing military service within six months, commonly show surprise to hear that benefits can be used with various other educational opportunities which include, but not limited to, cosmetology, barbering, real estate, truck driving or on the job training (hereafter OJT). The SAA, through outreach activities, continuously promotes the different methods of using the GI Bill, but progress remains slow. Veterans do not even know to ask the question "Is this program approved for veteran's training" or "Can this program be approved for veteran's training?"

Expensive describes most short term career oriented programs such as truck driving which causes concern and requires addressing. At proprietary schools in Arkansas, truck driving

training reflects a 120 clock hour program condensed into a three week period. The clock hours per week that a student spends in class determines payment allowances under the G.I. Bill. In this instance, students attend 40 hours a week for three weeks. The current monthly rate for full time school attendance for Chapter 30 Montgomery GI Bill beneficiaries (hereafter Chapter 30s) is \$1,034.00 and for a Chapter 1606 Montgomery GI Bill – Selected Reserve Educational Assistance (hereafter Chapter 1606) the rate is \$ 297.00. For National Guard beneficiaries, the education allowance received is disheartening. Truck driving tuition costs range from \$3,000.00 to \$5,000.00 dollars. Yet students under the G.I. Bill only receive approximately \$775.50 for a Chapter 30 beneficiary and \$220.50 for a Chapter 1606 recipient. This essentially equates to students receiving three-quarters of a month's benefits for full-time attendance. As currently applied, this burdens the VA beneficiaries to find alternative methods for funding the remaining financial need of their education. On the other hand, the same beneficiary attending a conventional college program would receive full benefits, \$1034.00 per month for the length of the semester. One answer to this disparity may be to expand the list of accelerated payment programs to include occupations and professions other than high tech programs. Using the current methodology for accelerated payment programs (21 days of school divided by 30 days in a month) the veteran would receive about 70% of the total cost of the program.

On-the-Job Training (OJT) constitutes a rapidly growing method of using education benefits while simultaneously increasing the skilled work force. In 2000, there were only seven programs with as many veterans using their benefits in Arkansas. Through increase outreach efforts, we now have 96 facilities approved, with 133 veterans enrolled in those programs this year. All Chapter 1606 benefits are out-of-system payments, meaning payments originate from a different source than other more traditional educational payments. It takes months for Chapter 30 OJT beneficiaries to receive their first payments from the processor in Muskogee, Oklahoma. The procedure for Chapter 1606 OJT recipients takes much longer. This delay alone, makes undertaking the program seriously problematic for the transitioning beneficiary whose funds are normally stretched due to transitioning and the lack of requisite skills and education to demand a better wage. To assist in minimizing this quagmire, once our office receives and reviews the paperwork, we immediately (normally within a day or two) send it to the Muskogee Regional Processing Office (hereafter Muskogee RPO). The Muskogee RPO supports 14 states plus the Philippines. Once the Muskogee RPO receives the beneficiary's paperwork, eligibility of the potential beneficiary is determined and the information is entered into the VA imaging system. The Muskogee RPO then transmits the information record to the St. Louis Regional Processing Office (hereafter St. Louis RPO). The St. Louis RPO then pulls the documents from the imaging system and processes all the payments. As simple as it sounds, this system, as stated previously, takes months.

For example, our office sent an OJT packet to the Muskogee RPO on July 21, 2005 for a Chapter 1606 beneficiary in an airframe and powerplant program. As of this writing, March 8, 2006, the veteran has still not received a payment. The Guard member's name was finally listed on a monthly report from VA on March 7, 2006. Unfortunately the list indicated that no payment was released to the veteran. As a second example, an apprentice lineman's paperwork was sent to VA on August 18, 2005. His name also finally appeared on the March 7<sup>th</sup> list indicating that his claim was processed, but again no benefit payment was distributed.

OJT and apprenticeship training programs are increasing in all states. These programs not only benefit veterans, but they also benefit employers, communities and States. Perhaps one day, payment for these programs could be automated. This may greatly improve the processing time thus distributing monthly benefits to the veteran in a timely manner. Since all Chapter 1606 claims are out-of-system payments, processing occurs at the St. Louis RPO. Changing the payment process so that each of the four regional processing offices handles their own claimants' payments would greatly enhance the response time while reducing the workload on St. Louis RPO. The Muskogee RPO does commendable work with both OJT and school claims.

Congress tasks the State Approving Agency to perform outreach duties. We promote the use of GI Bill educational benefits in numerous ways. Each organization represented here today has a vested interest in veterans' educational benefits. As children we probably all played tug of war. Opposing teams would work in concert with other team members to maximize their efforts in defeating the opposition. This synergistic effect of numerous members pooling their collective strengths in a common team effort remains more effective and efficient than individual members working separately to accomplish the same task. As team members, we must pool our collective talents and resources to work together to accomplish this common task of providing well deserved benefits to the beneficiaries in a timely manner that educates the beneficiary and re-introduces the beneficiary into the work force as a more productive member of society. We must look for creative solutions and refuse to accept the status quo, a status quo that worked well for the 1940s. Flexibility and responsiveness will catapult this endeavor into the 21<sup>st</sup> Century.

### **Closing**

In closing, Mr. Chairman and Ranking Member Herseth, I would like to thank you and those in attendance today for the opportunity to comment on veterans' educational benefits in Arkansas. We greatly appreciate your efforts to make benefits more flexible and accessible for the proud defenders of our freedom and for those who will follow in their footsteps when duty calls. I welcome the opportunity to address any questions you might have concerning the role of the State Approving Agency and the benefits afforded under the G.I. Bill.

**CURRICULUM VITAE**

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**Phone:** 501-682-2033 (work); 501-681-7600 (Cell)

**Email:** ron.snead@arkansas.gov

**Position: July 2005 to Present: Deputy Director.** The Department of Workforce Services' current operating budget is approximately \$957M, with approximately 500 full time and 200 intermittent staff members. Our agency provides employers, job seekers, local civilian elected officials, business and community leaders, as well as state and national elected officials, with employment related services that enhance the economic stability of Arkansas.

**November 2000 to July 2005: Assistant Director of Employment Services.** Responsible for all field operations servicing 36 communities across the state with over 250 employees; coordinated all unemployment, employment and training services with each of the ten Local Workforce Areas, boards and elected officials.

**May 1998 – September 1999: Executive Director, Fort Chaffee Reuse Authority:** Responsible for developing Reuse of approximately 7600 acres of land for community reuse as a result of the Base Realignment and Closure (BRAC) actions of 1998.

**1999 – Present: Owner** of a residential home construction company in central Arkansas.

**Military Service History: Commissioned a 2LT in 1971** and entered active duty at Fort Benning, GA. Completed IOBC in February 1972 and was sent to Counterintelligence Training at Fort Huachuca, AZ. Completed this training in June 1972 and was assigned to Germany from the period July 1972 until September 1975. Attended German Language Training at Oberammergau, Germany in 1974. Attended the MI Officers Advanced Course at Fort Huachuca, AZ in May 1976 and was assigned to the 101<sup>st</sup> Airborne Division as the Chief, Counterintelligence Operations for the Division. Left active duty to join the Arkansas Army National Guard in July 1978. I was assigned to the 39<sup>th</sup> Infantry Brigade from July 1978 until November 1982 as a traditional National Guard Soldier. In November 1982, I came on board as a Title 32 AGR Officer serving in various assignments until my **retirement in January 1998. I retired at the rank of Colonel (O-6)** and was serving as the commander of Fort Chaffee, AR. I have held security clearances above Top Secret while serving in a Title 10 active duty status. I retired with 26 years of total service with 22 years of active service and 4 years as a traditional Arkansas Army National Guard Officer.

**Education:** Received a Bachelor of Science in Marketing and Management from Henderson State University, Arkadelphia, AR in 1971 and a Master of Science in Operations Management from the University of Arkansas, Fayetteville, AR in 1993.

**Organizations:** Ombudsman for the Arkansas Employer Support to the Guard and Reserve (ESGR), 1998 to Present; Board Member of Oaks Manor Retreat Center (a Christian Based Organization) whose focus is to strengthen marriages. I have also served with various civic organizations including Chamber of Commerce, Kiwanis, Home Builders Association, March of Dimes and Boy Scouts of America.

**Professional Certificates:** Licensed Residential Home Builder

## EXECUTIVE SUMMARY

### 1. Summary of Testimony:

- The Department of Workforce Services (DWS) strives to provide employment security, and in so doing, promotes the economic wellbeing of Arkansas. Through DWS' 32 local offices and the local One-Stop centers, the needs of employers and all job seekers, to include returning veterans, are facilitated by matching qualified workers with employers' specific requests or by referring job seekers for assessment, training, and placement into a high demand occupation.
- The specialized staffs within DWS, whose primary mission is to serve all veterans with employment services and training assessment needs, are our Local Veterans Employment Representatives (LVERs) and our Disabled Veterans Outreach Program Specialists (DVOPs). Through the primary efforts of our LVERs and DVOPs, we have been able to achieve an "Entered Employment Rate" (EER) of 66% for all veterans for whom we have visibility seeking employment. The overall EER for Arkansas totals 69.5%, which is the third highest in our region.

### 2. Discussion of Service Sustainment:

- DWS' ability to sustain adequate staffing levels to assist all job seekers and the over 66,000 employers has been negatively impacted by the continued DOL budget reductions over the last ten years.
  - 1) During the past five years, we have experienced a reduction from 33 full time veteran representatives to 28. Currently, we are unable to have a veteran representative in all 32 local offices.
  - 2) During the past 10 years (1997-2006), we have had an 18% reduction of Wagner-Peyser staff. Continued reduction will necessitate looking at further reducing the number of local offices across the state.

### 3. Recommendation:

- Restore funding levels that would support increasing our number of LVERs and DVOPs to a minimum of 33 in order to facilitate assistance to returning veterans who are not job attached.
- Restore the Wagner-Peyser funding levels that would return 18 FTE to the state in order to assist all job seekers and employers. Currently, our funded local office staff has 80 FTE positions and requires a minimum of 98 FTE positions.

STATEMENT REGARDING ASSISTANCE PROVIDED TO NATIONAL GUARD AND RESERVE COMPONENT SERVICE MEMBERS RETURNING FROM RECENT ACTIVE DUTY BY THE ARKANSAS DEPARTMENT OF WORKFORCE SERVICES (DWS).

Distinguished Congressional Committee Members:

On behalf of the Arkansas Department of Workforce Services (DWS), formerly known as the Arkansas Employment Security Department, and our director, Mr. Artee Williams, I wish to thank you for this opportunity to address this committee concerning our department's ability to help serve returning military members and their dependents with employment assistance and training opportunities.

First, let me begin by explaining that the data contained in this testimony when relating to veterans is defined by DOL as those military members who have served for a minimum of 180 days or more on active federal duty and have not been released with a dishonorable characterization of service, or was released prior to 180 days due to having sustained a service-connected disability. The Department of Workforce Services information systems list all military members who seek assistance from our department as veterans, as defined previously, in the aggregate. Our information systems do not distinguish between service components, or whether the military member was considered National Guard or Reserve.

Currently, there is a wide array of services provided by DWS to all of our clients, veterans and non-veterans alike. Chief among these are: temporary wage replacement through unemployment insurance benefits (if deemed eligible), employment referral services, and Workforce Investment Act services. The Workforce Investment Act services are targeted to provide assessment and training that will lead to placement into suitable employment. Specifically, for recently separating military members returning from active duty, these services also include information regarding state veterans benefits that are available, educational/vocational resources that are available, assistance with filing claims for service connected disabilities, and assistance with obtaining copies of necessary military records. The specialized staffs within DWS, whose primary mission is to serve all veterans with employment services and training assessment needs, are our Local Veterans Employment Representatives (LVERs) and our Disabled Veterans Outreach Program Specialists (DVOPs). These positions are funded through a grant from the Veterans Employment and Training Service (VETS) of the United States Department of Labor.

As mandated by the Jobs for Veterans Act, our DVOPs serve all veterans primarily by providing core, intensive and referral to supportive services\* to meet the employment needs of disabled veterans and other eligible veterans, with emphasis directed toward serving those who are economically or educationally

disadvantaged, including veterans with barriers to employment. Our LVERs, on the other hand, primarily conduct outreach to employers, engage in advocacy efforts with human resource hiring executives to increase employment opportunities for veterans, encourage the hiring of disabled veterans, and generally assist veterans to gain and retain employment. Additionally, it is our LVER and DVOP staffs that facilitate and assist with the monthly Transition Assistance Program (TAP) briefing at Little Rock Air Force Base. This is currently the only DOL sponsored TAP workshop within the state.

\*Core Services: Available to everyone at no cost and include basic outreach, interest assessment, job search and placement, access to labor market, training, support service information, and assistance in establishing eligibility for public assistance programs.

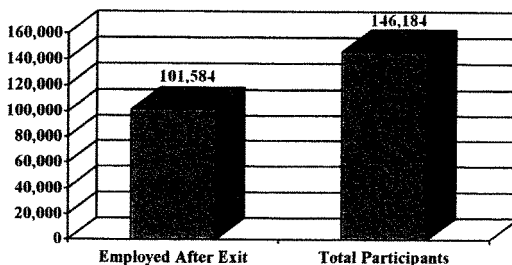
\*Intensive Services: Job seekers who have been assessed to need more skills training or education for assistance in achieving self-sufficiency.

\*Supportive Services: Transportation, childcare, dependent care, housing, and needs-related payments that are necessary to enable an individual to overcome barriers to employment.

It is critical that all returning National Guard and Reserve component members attend the TAP briefing once they return from active duty. Particularly, if the members are not job attached\*. This is our agency's primary visibility to obtain a complete list of returning military members who may need employment assistance and/or training. As a matter of information and comparison, if you will look at Chart 1, which lists information concerning entered employment rates for the period April 1, 2004 through March 31, 2005 in Arkansas, and then compare this information with Chart 2, which shows the entered employment rate for veterans, with whom DWS has visibility, and who have been placed in employment, as compared to the overall aggregate. Arkansas has the third highest entered employment rate within our region.

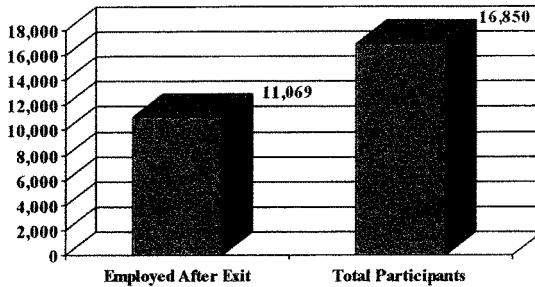
\*Job attached: Prior re-employment rights maintained by a deployed service member.

### Arkansas Entered Employment Rate = 69.5% [4/1/04 – 3/31/05]





**Arkansas Veterans Entered Employment Rate = 66%**  
**[4/1/04 – 3/31/05]**



To help reduce the number of unemployed, it is imperative to maintain the employer funded public employment services system. This is particularly true for the rural areas of Arkansas where employers and job seekers rely on the Department of Workforce Services and the local One Stop Centers to obtain information on training and job placement.

The ability to provide job placement and training has a direct correlation to adequate staffing. During the last five years, we have seen a reduction of our veteran staffs fall to 28 full-time equivalent positions from a staff of 33. In Arkansas, we have 75 counties and maintain offices in 32 communities. We currently do not have the ability to maintain a veteran staff member in each of our local offices.

However, all of our local offices do include our Wagner-Peyser funded employment service staff, which serves all personnel to include veterans. Our Wagner-Peyser staff has also been adversely impacted by budget reductions. Over the past 10 years, we have experienced a reduction of 18 FTE budgeted staff, or a reduction of 18.3 % of available staff, to serve the public and the over 66,000 employers in Arkansas. Currently, we have just over 80 FTE employment services positions to serve in our 32 local offices across the state.

That said, DWS' pledge to Congress and to the employers and citizens of Arkansas is to bring all available resources to bear, to include personnel and technology, in order to continue providing appropriate employment services and training opportunities to assist job seekers find productive high demand jobs. In that regard, like most states, we have had to rely on improved data systems to assist in helping serve our clients. We now have an automated



system that allows all clients the ability to file for initial unemployment claims via Internet. Additionally, we have recently fielded an automated job service system that allows employers to place jobs online and job seekers to self-register and post resumes online. These systems will act as a force multiplier for our reduced staff to continue to provide professional services to veterans and non-veterans. However, continued reductions in Wagner-Peyser funding will have a negative effect on our agency's ability to maintain a presence in the current 32 community locations.

Lastly, in Arkansas, DWS has a strong relationship with several partner agencies to include, but not limited to, the Department of Economic Development, Department of Workforce Education, Department of Veterans Affairs, and a very strong and positive relationship with each of the Local Workforce Investment Areas, their boards and One-Stop operators. As a result, returning veterans who need advice and assistance concerning information in regard to high demand occupations and available training assistance need only to visit one of our centers across the state. Together, with the service members MGI B and other resources that are available for the service members, and their spouses, the local DWS offices and the local One-Stop Centers are the right places to begin a new career for the returning veterans in Arkansas.

Ladies and gentlemen, that concludes my prepared remarks.

**Statement of William Fillman  
Director, Central Area  
Veterans Benefits Administration  
Department of Veterans Affairs**

**Before the  
Committee on Veterans' Affairs  
Subcommittee on Economic Opportunity  
U.S. House of Representatives**

**Field Hearing  
National Guard Armory, Rogers, AR  
March 22, 2006**

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss both the role of the Veterans Benefits Administration (VBA) in administering education benefits through the Regional Processing Offices (RPO) in Muskogee and St. Louis, and the efforts the Little Rock Regional Office has taken to provide transitional assistance for members of the National Guard and Reserves in the state of Arkansas. Today I am accompanied by: Mr. Sam Jarvis, Director of the Muskogee Regional Office, Mr. William Nicholas, Director of the Little Rock Regional Office, and Ms. Francie Wright, Education Officer at the Muskogee RPO.

My testimony will address two topics: the workload and performance trends at the Muskogee and St. Louis Regional Processing Offices and the outreach efforts of the Little Rock Regional Office to ease the transition of Arkansas's National Guard and Reserve members back into civilian life.

**Regional Processing Office (RPO)—St. Louis and Muskogee**

The Regional Processing Offices were established in St. Louis and Muskogee in the late eighties. The St. Louis office began its education operation during the summer of 1987 with a staff of 10 employees. Today, the St. Louis RPO has 160 employees and oversees a 16-state jurisdiction in the central region of the United States. During FY 2005, the office administered \$478 million in educational assistance, answered nearly 403,000 education phone calls, and processed over 280,000 claims for benefits

(an 8.7 percent increase over the FY 2004 level). The St. Louis jurisdiction comprises 23 percent of the veteran and dependent students nationwide.

The Muskogee RPO began operating in 1989 with a staff of 9 employees. Now the largest RPO with a staff of 235 employees, the Muskogee office has jurisdiction over 14 western states and the Philippines, encompassing 37 percent of veteran and dependent students. During FY 2005, Muskogee provided \$974 million in education benefits, answered over 557,000 education phone calls, and completed 543,000 education claims (a 7.6 percent increase over the FY 2004 level).

Nationwide, the education claims processing workload has increased over the past several years, both in terms of the number of claims received and in the number of students using their benefits. In 2005, VA received over 1.5 million benefit claims, an increase of 5.6 percent over the prior year. The number of students rose from 490,000 in 2004 to nearly 500,000 in 2005. From FY 2004 to FY 2005, the St. Louis RPO received 10.9 percent more incoming workload. A portion of the increase in education claims can be attributed to the realignment of Tennessee education claims processing from the Atlanta RPO to St. Louis in May 2005. The Muskogee RPO noted a 7.1 percent increase in workload during FY 2005. We expect these elevated workload levels will be sustained throughout 2006 and 2007.

In terms of performance indicators, Regional Processing Offices are measured under three primary criteria: 1) timeliness of processing original claims, 2) timeliness of processing supplemental claims, and 3) payment accuracy. "Original claim" refers to the first claim for a benefit. "Supplemental claim" refers to subsequent enrollments or information received after the original claim.

Performance for FY 2005 was as follows:

- Original claims (Target: 25 days) – USA 32.6 days, St. Louis 38.9 days, Muskogee 21.8 days

- Supplemental claims (Target: 13 days) – USA 18.9 days, St. Louis 23.8 days, Muskogee 11.9 days
- Payment Accuracy (Target: 94 percent) – USA 96 percent, St. Louis 96 percent, Muskogee 96 percent

Performance for FY 2006 through February 2006 is as follows:

- Original claims (Target: 25 days) – USA 37.1 days, St. Louis 50.9 days, Muskogee 23.4 days
- Supplemental claims (Target: 13 days) – USA 22.1 days, St. Louis 28.9 days, Muskogee 15.1 days
- Payment Accuracy (Target: 95 percent) – USA 96 percent, St. Louis 97 percent, Muskogee 94 percent

Because of the cyclical nature of the education workload and the fact that the peak fall enrollment period overlaps fiscal years, a direct comparison of the RPOs' performance for FY 2005 and the first five months of FY 2006 cannot be made. Typically, a significant portion of the reenrollments for the fall term are received and processed in the fourth quarter of the preceding fiscal year as advance payments. The timeliness of processing therefore improves during the end of the fiscal year. Despite the increasing demands for services and the rise in workload, VBA anticipates it will end FY 2006 closely approaching our performance targets of 25 days for original claims and 13 days for supplemental claims.

One of the ways we are addressing the workload increase is by hiring additional staff in the education business line. Since May 2005, the St. Louis RPO has filled 12 education positions and the Muskogee office has hired 26 employees. The Muskogee RPO plays a key role in supporting the other RPOs through electronic brokering of work. For example, in December 2005 the Muskogee office assisted the St. Louis RPO with a mail backlog and helped associate the paperwork with the electronic folder, processing over 10,000 documents.

More recently in response to the unexpected high volume of work received by the St. Louis RPO, the St. Louis RPO's education phone calls were transferred to the Muskogee RPO over a two-week period in February. This phone transfer allowed the St. Louis RPO to focus additional resources on claims processing, reducing its pending inventory by over 13,000 cases. Following this initial success, a special work team was sent from Muskogee to St. Louis to further assist in the workload reduction. The employees from the Muskogee RPO processed over 11,000 claims for the St. Louis office over a 10-day period. The combined efforts of both RPOs reduced the pending education workload in St. Louis by more than 60 percent.

#### **Arkansas National Guard and Reservist Transitional Assistance**

VBA is actively involved in educating servicemembers about VA benefits, providing claims processing assistance, and supporting a smooth transition from military duty back into civilian life. The Benefits Delivery at Discharge (BDD) Program, Transition Assistance Program, Disability Transition Assistance Program, and Seamless Transition Initiative all exemplify VBA's commitment to the readjustment process.

Returning servicemembers, including members of the National Guard and Reserves, may elect to attend formal 3-day workshops provided through the Transition Assistance Program (TAP) – a joint effort of VA, the Department of Defense, and the Department of Labor. At TAP workshops, servicemembers are provided information describing the VA benefits available to them and are encouraged to apply for all benefits to which they are entitled.

The Little Rock VA Regional Office (RO) actively supports the commitment to provide a seamless transition for returning military members. In FY 2005, the office conducted 18 TAP and Disability Transition Assistance Program (DTAP) briefings at the Little Rock Air Force Base for 669 participants. To date in FY 2006, the office has conducted 10 briefings for 318 participants.

Employees from the Little Rock RO also participated in the "Welcome Home" celebration for returning troops from Operation Iraqi Freedom and Operation Enduring Freedom, to include the 39<sup>th</sup> Infantry Brigade. This celebration was held at War Memorial Stadium in May 2005. The office set up an informational booth and spent the day answering questions concerning VA benefits and distributing informational material. The RO is working diligently to ensure Arkansas National Guard Members' transitions are as seamless as possible and are doing whatever they can to ensure members and their families are aware of and know how to access VA medical care and benefits. Additional support activities have included a joint venture with the Arkansas National Guard Headquarters and the VA Central Arkansas Veterans Health Care System to provide health and benefit services to returning members of the National Guard and Reserve Units.

A total of 34 National Guard installations have been visited in Arkansas and the office made contact with 910 individuals. A total of 377 disability claims were taken during these interviews. Dedicated VA employees took the time to listen to the concerns and views of our military men and women and stayed at each location until every Guard member who wanted to see them had the opportunity to do so. The service provided reflects the dedication of our employees to our mission.

Mr. Chairman, we at VA are proud of our continuing role in ensuring our nation's servicemembers and veterans are timely provided education benefits and assisted in their transition back to their communities. We continually evaluate and seek opportunities to improve the quality and scope of our outreach efforts to members of the National Guard and Reserves. I hope that my testimony today has provided you and the committee with a better understanding of the levels of service currently provided by the Muskogee and St. Louis Regional Processing Offices as well as the transitional assistance extended by the Little Rock Regional Office to the veterans of Arkansas. Thank you for the opportunity to appear before you today.

STATEMENT FOR  
THE RECORD

BY

JAMES BOMBARD

CHAIRMAN  
DVA VETERANS ADVISORY COMMITTEE ON EDUCATION

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 22, 2006

## EXECUTIVE SUMMARY

**Introduction**

The Department of Veterans Affairs Advisory Committee on Education's (VACOE) findings and recommendations on improving the Montgomery GI Bill through the VACOE's proposed Total Force concept.

**Recommendations – Claims Processing/Program Flexibility**

**The Committee, upon review of the claims processing systems, believes an overhaul of the management philosophy that underlines the collection and manipulations of data should be accomplished. This overhaul may require legislative action which the Committee recommends the Department initiate.**

**It also is clear that funding for Information Technology for the Veterans Education Service within VBA is inadequate and it is equally clear that much needs to be done to make hardware and software improvements that will streamline VBA's ability to absorb and manage the data it requires. Updating the IT systems associated with the payment of educational assistance benefits should be a top priority.**

**It should also be noted that in the past the Committee made a number of recommendations designed to increase program flexibility, i.e. Accelerated payment without restriction, expansion of test reimbursement, removing or extending the delimiting date, equalizing the benefit for OJT and Apprentice in relation to IHL and NCD education training programs, and remove restrictions on wage progression for municipal employees Apprentice programs.**

It is the Committee's belief that VBA Education Service, in conjunction with Congress, can create a flexible program and an effective efficient claims processing system by accomplishing the following:

- 1) **Restructure the GI Bill; i.e., Total Force (see VACOE letter dated 7/8/05)**
- 2) **Adopt a new philosophical approach to claims processing which streamlines the process**
- 3) **Create a synergistic relationship with Congress in order to insure feasibility and support for any additional programs associated with the GI Bill**
- 4) **Improve information exchange between (DoD and DVA)**
- 5) **Invest in state-of-the-art IT systems (TEES)**
- 6) **Hire additional staff to do claims processing or at a minimum maintain budget direct FTEs**

**Total Force**

The VACOE Committee recommended a fundamental change to the structure of the MGIB; and put forth a framework for a new GI Bill that reflects the realities of the Total Force policy.

**It is the Committee's belief that this restructuring is necessary to incorporate program flexibility, ease of administration and equity of service rendered.**

Both the Active Duty and Selected Reserve (SelRes) programs share the same name and are part of the same legislation, but they have different purposes. The Active Duty (AD) program revolves around recruitment and transition/readjustment to civilian status while the SelRes program is designed to promote recruitment and retention, with no regard for readjustment or transition.

The current GI Bill programs did not consider DoD's use of the SelRes for all operational missions. Under this policy the SelRes and some members of the Individual Ready Reserve (IRR) are considered integral members of the Total Force. Reserve members who are faced with extended activations require similar transition and readjustment benefits as those available to separating AD service men and women. Although the new reserve GI Bill educational benefits program authorized under Chapter 1607 of Title 10, U.S. Code attempts to address this issue, it remains primarily a retention tool, requiring continued reserve service.

**For these reasons we recommend replacing the separate GI Bill programs for veterans and reservists with one program that consolidates all GI Bill programs under one umbrella (Title 38, United States Code). This would include enrolling all currently eligible personnel in Chapters 30, 1606 and 1607 in the new Total Force GI Bill. This approach will add value to the Montgomery GI Bill (MGIB) as a recruitment and retention tool for the Armed Forces, including National Guard**



and Reserve; establish equity of benefits for returning Guard and Reserve members; support Congress' intent for the MGIB (see Attachment C); and potentially save taxpayer money through improved administration.

This concept would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve: a MGIB active duty three-year rate, a pro rata SelRes rate, and a SelRes activated rate which is equivalent to the active duty rate on a month-to-month basis after 90 days service.

Placing the Total Force GI Bill within Title 38 USC will **simplify the administration of GI educational benefit** for all members of the armed services both AF and RF, and ensure all future benefits are upgraded equitably. (See Attachment B)

By providing additional educational benefits in recognition of the additional and the extraordinary demands that are being placed on our reservists, we are responding to the demands of this historic time.

Summary

Old

Different Title  
Confusing  
Multiple Committees  
Costly redundancies  
Different Benefits for same Risks  
Delimiting date inequities  
Modest retention incentive  
No SelRes readjustment benefit  
Differing Rules for Recruiters  
Inequitable Upgrades  
Recipients confused  
Staff Training Complexities

New

One title  
Straight Forward  
Half the Committees  
Savings through Efficiencies  
Same benefit for same Risks  
Fair delimiting dates  
Increased retention incentive  
SelRes Readjustment benefit  
Same Rules for all Recruiters  
Equitable Upgrades  
Simplified for Recipients  
Staff Training Simplified

Conclusion

This proposal is equitable, equal benefits for equal service; simple, easily understood and administered, and provides a unique opportunity to create a better GI Bill for those who serve. Its eloquence is its equity and simplicity.

To you we pass the torch.

STATEMENT FOR  
THE RECORD BY  
JAMES BOMBARD  
CHAIRMAN  
DVA VETERANS ADVISORY COMMITTEE ON EDUCATION  
BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
MARCH 22, 2006

## **Introduction**

Chairman Boozman, Ranking Member Herseth and members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of the Veterans Advisory Committee on Education (VACOE) to provide comments on two interrelated issues. First, the Committee's findings and recommendations on improving the flexibility and administrative efficiency of current Title 38 U.S.C. and Title 10 U.S.C. education programs. Second, the VACOE findings and recommendations on restructuring the current GI Bill. I should mention at the outset that as Chairman of the Advisory Committee I have had the pleasure of working with the members and the staff of the Committee for many years to improve veteran programs.

### **Program Flexibility and Claims Processing**

Mr. Mike Brinck, Staff Director of the Subcommittee on Economic Development of the HVAC, asked the Committee to examine ways to not only provide program flexibility, but also to improve efficiency of education claims processing without significant cost increases.

It is the Committee's view that program flexibility and claims processing are two distinct yet interrelated issues and they were examined in that context. It should also be noted that in the past the committee made a number of recommendations designed to increase program flexibility i.e. Accelerated payment without restriction, expansion of test reimbursement, removing or extending the delimiting date, equalizing the benefit for OJT/Apprentice programs in relation to IHL and NCD education/training programs, removing restrictions on wage progression for municipal employees. (These issues and others will be addressed in detail by others here today.) These recommended program changes are also part of the general recommendations regarding claims processing.

In keeping with Mr. Brinck's request the Committee visited the DVA Atlanta RPO to examine the current claims processes. After observing the system and talking to VA employees directly involved with the process, the Committee realized that making claims processing more efficient may require a fundamental change in the approach to the process.

## Recommendations

While reviewing the VA education claims processing systems, the Committee noted practices and a supporting management philosophy that require an all too excessive monitoring and reporting of actions associated with the payment of VA education assistance benefits. The Committee understands the need to prevent waste, fraud and abuse, but this need has (over decades) generated excessively burdensome and non-cost effective requirements. Along with the complexities of a number of new GI Bill program opportunities, these requirements have resulted in a cumbersome data management system that does not provide timely responses to the needs of veterans and other GI Bill eligible persons. For example, is it really necessary for adjudicators to delay the payment of VA educational assistance benefits because school officials have not provided information on credit for prior learning? And is it really necessary for veterans to self certify themselves every month before their benefit check is released?

It also is clear that funding for Information Technology for the Veterans Education Service within VBA is inadequate and it is equally clear that much needs to be done to make hardware and software improvements that will streamline VBA's ability to absorb and manage the data it requires. The Committee witnessed varying systems in the Atlanta Office that were not integrated. This created unnecessary time consuming work for adjudicators and other VA claims processing personnel. Updating the IT systems associated with the payment of educational assistance benefits should be a top priority. **However, the Committee again reiterates its belief that an overhaul of the management philosophy that underlies the collection and manipulation of data should also be accomplished. This overhaul may require legislative action which the Committee recommends the Department of Veterans Affairs initiate.**

The Committee realizes that its' recommendations are both philosophical and general in nature. It also is cognizant of its limitations in making more specific recommendations. That may be better left to the Education Service professionals, clients and members of Congress. There may also be a need for a consultant to assist education service leadership in creating a processing system. If so, that consultant should be familiar with the overall problem and be able to provide pointed practical solutions not abstractions. It is the Committee's belief that VBA Education Service, in conjunction with Congress, can create a flexible program and an effective efficient claims processing system by accomplishing the following:

- 1) **Restructure the GI Bill; i.e., Total Force (see VACOE letter dated 7/8/05)**
- 2) **Adopt a new philosophical approach to claims processing which streamlines the process**
- 3) **Create a synergistic relationship with Congress in order to insure feasibility and support for any additional programs associated with the GI Bill**
- 4) **Improve information exchange between DoD and DVA**
- 5) **Invest in state-of-the-art IT systems (TEES)**
- 6) **Hire additional staff to do claims processing or at a minimum maintain budget direct FTEs**

### **Total Force**

The Advisory Committee, after nearly two years of studying the Montgomery GI Bill (MGIB), recommended a fundamental change to the structure of the MGIB; and also put forth the framework for a new GI Bill that reflects the realities of the Total Force policy.

It is the Committee's belief that this restructuring is necessary to incorporate program flexibility, ease of administration and equity of service rendered.

Both the Active Duty and Selected Reserve (SelRes) programs share the same name and are part of the same legislation, but they have different purposes. The Active Duty (AD) program revolves around recruitment and transition/readjustment to civilian status while the SelRes program is designed to promote recruitment and retention, with no regard for readjustment or transition.

The current GI Bill programs did not consider DoD's use of the SelRes for all operational missions. Under this policy the SelRes and some members of the Individual Ready Reserve (IRR) are considered integral members of the Total Force. Reserve members who are faced with extended activations require similar transition and readjustment benefits as those available to separating AD service men and women. Although the new reserve GI Bill educational benefits program authorized under Chapter 1607 of Title 10, U.S. Code attempts to address this issue, it remains primarily a retention tool, requiring continued reserve service.

**For these reasons we recommend replacing the separate GI Bill programs for veterans and reservists with one program that consolidates all GI Bill programs under one umbrella (Title 38, United States Code). This would include enrolling all currently eligible personnel in Chapters 30, 1606 and 1607 in the new Total Force GI Bill. This approach will add value to the Montgomery GI Bill (MGIB) as a recruitment and retention tool for the Armed Forces, including National Guard and Reserve; establish equity of benefits for returning Guard and Reserve members; support Congress' intent for the MGIB (see Attachment C); and potentially save taxpayer money through improved administration.**

### **Background**

In the twenty years since the Montgomery GI Bill went into effect on June 30, 1985 the nation's security environment has changed radically from a fixed cold war to a dynamic "Global War on Terror." In 1991 the Active Duty Force (AF) of the Military stood at 2.1 million; today it stands at 1.4 million.

Since 9/11 more than 480,000 members of the 860,000 Selected Reserve (SelRes) have been activated. Today approximately 40% of troops in Iraq are Guardsmen or Reservists.

Despite this, the Montgomery GI Bill (MGIB) and the Montgomery GI Bill—Selected Reserve (MGIB—SR) still reflect the situation that existed in 1984. Then the members of the Selected Reserve rarely served on active duty. The idea that any projection of U.S. power would require the activation of at least some reservists was never considered in creating these programs.

**Because most reservists have both careers and families which are embedded in towns and cities across the country, these activated citizen-soldiers -- mayors, police chiefs, firefighters, and small business owners -- face additional burdens as financial and career obligations mount, while their families, employers, and communities frequently face significant sacrifices and hardships as well.**

This has led to inequitable situations. First, Selected Reserve members and members of the Individual Ready Reserve (IRR) may be called to active duty for considerable periods, but less than two years. When they return to civilian life, what is available to help them readjust? **They have nothing at all if their active duty is at the end of their six-year commitment to the Selected Reserves.**

### **Proposed Total Force GI Bill**

In the face of these dramatic changes in the nature of Reserve Force (RF) usage, and recognizing that the Active and Reserve Forces have become inextricably integrated as a Total Force, the Committee is proposing an updated GI Bill which accepts the new security realities of the open-ended Global War on Terror, the recruiting and retention issues which arise from it, and the expanded role that the RF plays in this modern era. The current members of the RF are being asked to perform in a manner literally unprecedented since WWII.

As the distinctions between the active and reserve force continue to diminish the difference in treatment between the active and reserve forces in the GI Bill should decline accordingly. Benefits need to remain commensurate with sacrifice/service.

From 1985 through 1990, a period of relative quiescence for the RF, Reservists, under Chapter 1606 of Title 10 USC, were receiving 47% of the educational benefit of active force Montgomery GI Bill participants. That 47% rate remained in effect until roughly the turn of this century when the MGIB was significantly enhanced for the Active Force.

Since 1990 the percentage of educational benefit for reservists has declined from 47% to 29 % of the active force educational benefit, and this decline took place during a period when the involuntary mobilization of reservists had begun to accelerate significantly.

The new Total Force GI Bill seeks to move all GI Bill benefits to one title, Title 38 USC, and to recognize the added educational benefit which should accrue from additional active service.

This concept would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve: a MGIB active duty three-year rate, a pro rata SelRes rate, and a SelRes activated rate which is equivalent to the active duty rate on a month-to-month basis after 90 days service.

See Attachment A for additional detail concerning the proposed Bill.

Chapters 35 and 31 remain as before.

### **Benefits of New GI Bill**

We anticipate a number of positive effects from this new GI Bill:

- \* The additional educational benefit for active duty service provides a necessary one-to-one equity for arduous time served by individuals in uniform whether AFor RF.
- \* Under the current Chapter 1606, reservists have 14 years from the beginning date of eligibility to use their benefits in service. As a result many reservists reach the delimiting date while they are still serving in the Selected Reserve. A provision in the proposal would extend the time frame during which reservists could utilize the education benefit.
- \* A provision allowing reservists ten (10) years from the last active/activated duty to utilize their educational benefit adds a transition and readjustment element to the traditional recruiting and retention elements of the Reserve Component of the GI Bill. This is precisely what is now needed since the extended arduous duty of the reservist requires transition and readjustment very similar to active forces.
- \* Placing the Total Force GI Bill within Title 38 USC will **simplify the administration of GI educational benefit** for all members of the armed services both AF and RF, and ensure all future benefits are upgraded equitably. (See Attachment B)
- \* The GI Bill also has traditionally been viewed as a grateful nation's way of showing its appreciation for the sacrifices of service, separation, and combat. The new GI Bill reflects the new realities which have transformed this nation's security environment since the second week of September '01.

### **Conclusion**

No amount of skill compensates for a lack of manpower. In order to continue to deter actual and potential adversaries now and in the future, we must continue to attract the finest among the willing and capable. It is imperative that the armed forces continue

to attract and retain high quality men and women to assure the nation's collective security.

The famed risk-reward ratio follows the same natural calculus as the supply and demand curve. No one in this country can honestly say that the risks for our reservists have not increased of late. This proposed Total Force GI Bill seeks to address at least part of the reward scheme for those reservists who are being asked to risk the most.

During a period when a significant portion of those who sign up for duty, whether in the active force or in the reserve force, say that they do so, specifically, for the educational benefits, it is important to boost recruitment as much as possible by means of this proven approach.

By allowing Reserve Force (RF) retirees to utilize the benefit for ten (10) years following retirement, we are both boosting retention as well as rewarding the rigors of activation and mobilization.

Because the reserve component has come to more closely resemble the active component, it is time that the educational benefits for the reserve component come to more closely resemble those of the active component. That, in short, is what our proposal, the Total Force GI Bill, seeks to do.

If implemented, we envision wins for the individual Selected Reservist, a win for the Armed Services, and a win for our national security.

### **Summary of Differences**

#### Current MGIB

Different Title  
Confusing  
Multiple Committees  
Costly redundancies  
Different Benefits for same Risks  
Delimiting date inequities  
Modest retention incentive  
No SelRes readjustment benefit  
Differing Rules for Recruiters  
Inequitable Upgrades  
Recipients confused  
Staff Training Complexities

#### Total Force GI Bill

One title  
Straight Forward  
Half the Committees  
Savings through Efficiencies  
Same benefit for same Risks  
Fair delimiting dates  
Increased retention incentive  
SelRes Readjustment benefit  
Same Rules for all Recruiters  
Equitable Upgrades  
Simplified for Recipients  
Staff Training Simplified

This Total Force proposal provides a unique opportunity to create a comprehensive GI Bill that is both fair and simple. Its eloquence is its equity and simplicity.

The question always raised by Congress when considering the GI Bill is can we afford it. Well, I don't think we can't afford not to.

**Closing**

In closing, Mr. Chairman, I would like to thank you again for the opportunity to comment on the Total Force Montgomery GI Bill proposal, ways to make VA's education benefits more flexible, and ways to improve the administration of the benefit. As Chairman of the Veterans Advisory Committee on Education, I wish to convey the Committee's appreciation of your efforts to improve the MGIB.



**Attachment A****A Total Force GI Bill**

This Bill would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve.

1. The first tier -- similar to the current Montgomery GI Bill -- Active Duty (MGIB-AD) 3-year rate -- would be provided to all who enlist for active duty. Service entrants would receive 36 months of benefits at the AD Rate.
2. The second tier or level would be for all who enlist or re-enlist in the SelRes for 6 years, and this would entitle them to 36 months of benefits at a pro-rata amount of the active duty rate, (the suggested rate is 35% of the MGIB-AD rate).
3. The third tier would be for members of the SelRes/IRR who are activated for at least 90 days. They would receive one month of benefit for each month of activation, up to a total of 36 months, at the active duty rate. The intent is to provide the same level of benefit as the active duty rate for the same level of service.

3a. These months of full benefits would replace, month-for-month, any SelRes entitlements at the second tier.

3b. The maximum benefit a member of the SelRes could receive under this program would be the equivalent of 36 months at the active duty rate.

An individual would have up to 10 years to use the active duty or activated-service benefit from their last date of active/activated duty or reserve service, whichever is later. A Selected Reservist could use remaining second tier MGIB benefits as long as he/she were satisfactorily participating in the SelRes, and for up to 10 years following separation from the reserves, in the case of separation for disability or qualification for a reserve retirement at age 60.

**Additional Provisions:**

All provisions (e.g. additional contributions), and programs (e.g. accelerated payment, approved test reimbursement, etc.) eligible for payment under the current MGIB-AD would be available under all three levels.

**DoD Incentives:**

Under this plan DoD would continue to be able to provide Recruitment and Retention incentives such as loan repayment, kickers-college fund, and enlistment bonuses.

**Attachment B****Total Force GI Bill Program**

The following improvements would accrue to GI Bill program administration by adopting the new Total Force GI Bill:

- The MGIB and the MGIB-SR do not pay for the same training although there is no logical reason why they shouldn't. This is the result of having funding of MGIB—SR the responsibility of DoD, while the funding of basic MGIB is VA's responsibility. Thus, bills affecting MGIB—SR are referred to the Senate and House Armed Services Committees (SASC and HASC) while bills affecting MGIB are referred to the House and Senate Veterans Affairs Committees (HVAC and SVAC).
- These problems could be addressed by replacing the separate GI Bill programs (Chapters 30, 1606 and 1607) with one consolidated program under Title 38, US Code. This new bill would have a continuum of benefits that matched the continuum of possible service.
  - It would provide monthly benefits for activated Selected Reservists and reservists from the Individual Ready Reserve with no prior service qualifying for MGIB that is proportionate to their actual active duty.
  - It would put funding for the benefits for those in the Selected Reserve with VA.
  - It would make the types of training uniform for all in the Armed Forces who would be eligible for this GI Bill.
- One set of rules covering one GI Bill would allow for better understanding of the program by recruiters, beneficiaries, stakeholders and program managers.
- Training new claims examiners and processing claims would be easier and more efficient as there would be one set of rules.
- Systems costs would be lower for the new program as the other systems would no longer be required.
- Since there would be one program and one set of rules, there would not be inconsistent and inequitable structuring of benefit levels.
- VA would be responsible for all basic benefit payments, and would be reimbursed by the agency concerned for any additional payments made through "kickers". Currently, the selected reserve basic payment is reimbursed to VA and managed either by DoD or DHS. The benefit is that no "basic" award would have to be managed outside of and reimbursed to VA, but the agency concerned would maintain the flexibility to channel critical specialties provided under the current programs.

## Attachment C

Sec. 3001. Purposes

Page 1 of 1

United State CodeTITLE 38 - VETERANS' BENEFITSPART III - READJUSTMENT AND RELATED BENEFITSCHAPTER 30 - ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAMSUBCHAPTER I - PURPOSES; DEFINITIONS*U.S. Code as of: 01/26/1993***Sec. 3001. Purposes**

The purposes of this chapter are -

- (1) to provide a new educational assistance program to assist in the readjustment of members of the Armed Forces to civilian life after their separation from military service;
- (2) to extend the benefits of a higher education to qualifying men and women who might not otherwise be able to afford such an education;
- (3) to provide for vocational readjustment and to restore lost educational opportunities to those service men and women who served on active duty after June 30, 1985;
- (4) to promote and assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces by establishing a new program of educational assistance based upon service on active duty or a combination of service on active duty and in the Selected Reserve (including the National Guard) to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces;
- (5) to give special emphasis to providing educational assistance benefits to aid in the retention of personnel in the Armed Forces; and
- (6) to enhance our Nation's competitiveness through the development of a more highly educated and productive work force.

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**QUALIFICATIONS SUMMARY:**

- \* Executive with state government, industry, congressional staff, military, and academic experience.
- \* Two term President of a National Association of State Approving Agencies requiring extensive interaction with federal agencies and congressional staff.
- \* Head of state-wide agency.
- \* Chairman of Veterans Advisory Committee on Education (VACOE)

**WORK EXPERIENCE:**

**President, National Association of State Approving Agencies (NASAA)  
(July 1999 – July 2001)**

- \* Set policy and managed National Association of State Approving Agencies. The professional association that represents each states' veteran education approval entity.

**Chief, Bureau of Veterans Education (October 1998 – present)**

- \* Head a state agency which approves universities, colleges, professional, business, technical and vocational schools, as well as flight schools, BOCES, police academies, and apprentice and on-the-job training programs.

**Supervisor, Bureau of Veterans Education (1991 – October 1998)**

**Associate, Bureau of Veterans Education (1981 – 1991)**

**Grant Administrator, Research Foundation, City University of New York  
(1975 – 1981)**

- \* Administered grants, managed staff and budget, and generated programs.

**Account Executive, ALCOA, Kansas City, MO (1972 – 1975)**

- \* Managed accounts totaling \$10,000,000.00 per year in revenue. Acted as company's sole liaison to state houses in Nebraska, Kansas, and Missouri.

**NOTABLE ACHIEVEMENTS:**

- \* Special Assistant to Congressman Robert J. Mrazek (Appropriations Committee).
- \* Member of congressional delegation led by U.S. Rep., Tom Ridge, to Vietnam regarding release of Amerasian children.

- \* Testified as expert witness before congressional committee.
- \* Featured on the History Channel, "Vietnam Revisited – a Controversy."
- \* Contributed chapter in best selling book on Vietnam titled, Everything We Had.

**EDUCATION:**

- \* MPA School of International Public Affairs, Columbia University
- \* MA Educational Administration, Northeastern University
- \* BS Education, Northeastern University.

**MILITARY:**

- \* Assistant Professor of Military Science, University of San Francisco.
- \* US Army Captain, Paratroop Unit Commander.
- \* Awarded Silver Star, Purple Hart, Combat Infantry Badge
- \* Various other decorations

**PERSONAL:**

- \* Extensive foreign travel to Europe and the Far East.
- \* Married father of four children.



T H E   M I L I T A R Y   C O A L I T I O N

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STATEMENT

of

THE MILITARY COALITION

on

Education Benefits and Transition Assistance Programs  
for the Total Force

Field Hearing before the

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

House Veterans' Affairs Committee

Rogers, Arkansas

March 22, 2006

Presented by

Colonel Robert F. Norton, USA (Ret.)  
Co-Chairman, Veterans' Committee  
The Military Coalition

MISTER CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE. On behalf of The Military Coalition, a consortium of nationally prominent uniformed services and veterans' organizations, we are grateful to the Subcommittee for this opportunity to express our views concerning issues affecting the uniformed services community. This testimony provides the collective views of the following military and veterans' organizations, which represent approximately 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

- Air Force Association
- Air Force Sergeants Association
- Air Force Women Officers Associated
- American Logistics Association
- AMVETS (American Veterans)
- Army Aviation Association of America
- Association of Military Surgeons of the United States
- Association of the United States Army
- Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
- Commissioned Officers Association of the U.S. Public Health Service, Inc.
- Enlisted Association of the National Guard of the United States
- Fleet Reserve Association
- Gold Star Wives of America, Inc.
- Jewish War Veterans of the United States of America
- Marine Corps League
- Marine Corps Reserve Association
- Military Chaplains Association of the United States of America
- Military Officers Association of America
- Military Order of the Purple Heart
- National Association for Uniformed Services
- National Guard Association of the United States
- National Military Family Association
- National Order of Battlefield Commissions
- Naval Enlisted Reserve Association
- Naval Reserve Association
- Non Commissioned Officers Association
- Reserve Enlisted Association
- Reserve Officers Association
- The Retired Enlisted Association
- United Armed Forces Association
- United States Army Warrant Officers Association
- United States Coast Guard Chief Petty Officers Association
- Veterans of Foreign Wars of the United States
- Veterans' Widows International Network

The Military Coalition, Inc. does not receive any grants or contracts from the federal government.

### **Testimony of The Military Coalition: Executive Summary**

**Total Force Montgomery GI Bill (MGIB).** The active duty, National Guard and Reserve forces are operationally integrated under the Total Force policy but their educational benefits are not structured commensurate with types and duration of service performed.

*TMC strongly supports enactment of legislation that would align MGIB programs according to the length and type of service performed, a Total Force MGIB.*

**Technical Issues for Implementing a Total Force MGIB.** According to Congressional staff, transferring the reserve MGIB programs from Title 10 to Title 38 would create a significant mandatory funding increase as the “color of money” goes from discretionary to mandatory – even if the total force MGIB proposal did incur a significant real-money ‘start-up’ cost.

*TMC urges use of War Supplemental funding to address the technical accounting ‘glitch’ regarding the proposal to transfer funding authority for the Reserve MGIB programs from Title 10 to Title 38.*

#### **Portability of Benefits Earned During Mobilization**

*TMC urges the Subcommittee to endorse portability of reserve MGIB benefits earned during a mobilization under contingency operation orders. TMC also recommends the elimination of the 14-year time constraint for in-service usage of ‘Chapter 1606’ and ‘Chapter 1607’ MGIB benefits.*

#### **Loss of Value of ‘Chapter 1606’ Benefits to Support Recruitment and Retention**

Prior to the 9/11 attacks on the homeland, Congress authorized big increases to active duty MGIB benefits (Chapter 30, 38 USC), but overlooked the Reserve MGIB program (Chapter 1606, 10 USC). Reserve benefits have slipped from a 47 cents-to-the-dollar ratio with active duty rates to 29 cents to the dollar. Word gets out and potential recruits and those eligible for reenlistment in the Guard and Reserve are seeing for themselves the widening gap in proportional benefits.

*TMC urges Congress to address the growing benefit gap between the Reserve MGIB (Chapter 1606) and the active duty program as soon as possible, especially because Guard and Reserve recruitment continues to be under enormous strain.*

#### **‘Chapter 1607’ Benefits**

The design of the current ‘Chapter 1607’ program was determined with little or no consultation with military or other stakeholders. The Total Force MGIB proposal would enable a mobilized Guard or Reserve servicemember to earn month-to-month entitlement of benefits during mobilization and authority to use those benefits throughout reserve service and for 10 years following separation.

*TMC recommends the transfer of ‘Chapter 1607’ authority to Title 38 and a policy of month-to-month entitlement of active duty benefits under Chapter 30, 38 USC; and TMC recommends a transition benefit be authorized for post-service use.*

*TMC recommends MGIB initiatives that would stimulate recruitment by making the MGIB available to all servicemembers, allow a one-time ‘VEAP’-decliner enrollment option, offer greater incentive to use the benefit through flexible delivery options and transferability at career decision points.*

*TMC recommends that TAP budgets be increased by 50% over current spending levels.*



Mr. Chairman, The Military Coalition (TMC) is grateful to you and the entire Subcommittee for your leadership and strong commitment to the well-being of the members of the military community: active duty, National Guard, Reserve members, veterans (including military retirees), military family members, and survivors. I appreciate the opportunity to provide testimony on our collective views concerning educational benefit programs under the Montgomery GI Bill and transition assistance for members of the National Guard and Reserve separating from periods of federal active duty.

### **Background on the Evolution of the Montgomery GI Bill**

Our nation's total Armed Forces – active duty, National Guard, and Reserve are operationally integrated to carry out national security missions, but educational benefits under the Montgomery GI Bill (MGIB) do not reflect this “total force” policy, nor match benefits to the length and type of service performed.

The enactment of MGIB programs early in the All-Volunteer Force era sheds light on the current disconnect between the MGIB structure and the policies used today to ensure reserves are embedded in all military missions.

Congress re-established the GI Bill in 1984. The MGIB was designed to stimulate All-Volunteer Force recruitment and retention and to help veterans readjust to the civilian world on completion of their service. Active duty MGIB educational benefits were codified in Title 38, ensuring a readjustment purpose. But the Selected Reserve MGIB program was codified under Chapter 1606 of Title 10 – post-service benefits were not authorized.

Late in the Cold War era, Defense policy makers and Congress did not envision the routine use of Guard and Reserve forces for every operational mission, nor did anyone perceive a need at the time for a post-service readjustment benefit for Reserve participants. The Selected Reserve MGIB program served only as a recruitment tool and any remaining benefits were forfeited at separation.

During the same period (mid-1980s to late 1990s), however, Reserve MGIB benefits maintained proportional parity with the basic active duty program. Slippage of Reserve MGIB rates and the recognition that there was no readjustment element to the program began to occur at the very time that the national command authority activated hundreds of thousands of Guard and Reserve servicemembers following the September 11, 2001 attacks.

Congress attempted to respond to the MGIB benefit gap by authorizing a second Reserve Title 10 MGIB program for reservists who were mobilized for more than 90 days for a contingency operation. But the complexity of the “Chapter 1607” program, DoD funding challenges, and the difficulty of correlating the new mobilization MGIB with both the original Reserve MGIB (Chapter 1606, 10 USC) and the active duty program (Chapter 30, 38 USC) appear to be compromising statutory objectives and the effective administration of the entire MGIB program.

A new architecture is needed to align the MGIB with the realities of the Total Force policy in the 21<sup>st</sup> Century. Congress intended that the all-volunteer force Montgomery GI Bill would support DoD recruitment and retention programs, enable a smoother readjustment to civilian life, and enhance the nation's competitiveness.

### **Towards a Total Force MGIB for the 21<sup>st</sup> Century.**

The Total Force MGIB has two broad concepts. First, all active duty and reserve MGIB programs would be organized under Title 38. (The responsibility for cash bonuses, MGIB “kickers”, and other enlistment / reenlistment incentives would remain under the Department of Defense in Title 10). Second, MGIB benefit levels would be structured according to the level of military service performed.

The Total Force MGIB would restructure MGIB benefit rates as follows:

- ❑ Tier one – Chapter 30, Title 38 – no change. Individuals who enter the active armed forces would earn MGIB entitlement unless they decline enrollment.
- ❑ Tier two – Chapter 1606, Title 10: MGIB benefits for initial entry into the Guard or Reserve. Chapter 1606 would transfer to Title 38. No other change is envisioned at this time. In the future, the Subcommittee should consider adjusting benefit rates in proportion to the active duty program. Historically, Selected Reserve benefits have been 47-48% of active duty benefits.
- ❑ Tier three – Chapter 1607, Title 10, amended -- MGIB benefits for mobilized members of the Guard / Reserve on “contingency operation” orders. Chapter 1607 would transfer to Title 38 and be amended. Mobilized servicemembers would receive one month of “tier one” benefits (currently, \$1034 per month) for each month of activation after 90 days active duty, up to a maximum of 36 months for multiple call-ups.

A servicemember would have up to 10 years to use remaining entitlement under Tier One or Tier Three programs upon separation or retirement. A Selected Reservist could use remaining Second Tier MGIB benefits only while continuing to serve satisfactorily in the Selected Reserve. Reservists who qualify for a reserve retirement or are separated / retired for disability would have 10 years following separation to use all earned MGIB benefits. In accordance with current law, in cases of multiple benefit eligibility, only one benefit may be used at one time, and total usage eligibility extends to no more than 48 months.

***TMC strongly supports enactment of legislation that would align MGIB programs according to the length and type of service performed, a Total Force Montgomery GI Bill for the 21<sup>st</sup> Century.***

### **Challenges and Opportunities in Realizing a Total Force MGIB.**

TMC is an original founding group of military and veterans organizations joined with major higher education associations who together make up the Partnership for Veterans Education. The Partnership has long advocated for raising MGIB benefits to keep pace with the cost of education and training programs and, more recently, has urged enactment of a Total Force MGIB as described above. In communications with professional Congressional staff, administration officials, and other stakeholders, the Partnership has identified issues and concerns regarding enactment of a Total Force MGIB. TMC would like to offer its views on these issues here:

1. *Mandatory vs. Discretionary Funding for the MGIB.* Basic active duty MGIB benefits under Chapter 30, 38 USC are in the “mandatory” funding category. However, both of the Reserve MGIB programs (Chapters 1606 and 1607, 10 USC) are resourced through

annual discretionary appropriation provided by Congress to the Guard and Reserve personnel accounts (e.g., “National Guard Personnel, Army” or ‘NGPA’). From these accounts, contributions are placed in the DoD Educational Benefits Trust Fund in the Treasury. The VA makes all benefit payouts against this Fund.

DoD and the Reserve components have not recommended any increase to Chapter 1606 benefit rates for years, even after 9/11. One reason is that the Trust Fund contributions are scored against reserve personnel appropriations and compete with other priorities. In TMC’s view, another reason is that the Services increasingly rely on cash incentives (not the MGIB) to manage manpower.

According to House Armed Services Committee staff, transferring the reserve MGIB programs from Title 10 to Title 38 would create a significant mandatory funding increase as the “color of money” goes from discretionary to mandatory – even if the total force MGIB proposal did not incur a significant “real-money” start-up cost.

***TMC urges use of War Supplemental funding to address the technical accounting ‘glitch’ regarding the proposal to transfer funding authority for the Reserve MGIB programs from Title 10 to Title 38.***

2. *Readjustment Benefit vs. Retention Purpose.* A key element of the Total Force MGIB proposal is that reservists mobilized for at least 90 days under federal contingency operation orders would be able to use remaining mobilization MGIB benefits under Chapter 1607 (as amended) after separation; i.e., they would be entitled to post-service readjustment benefits under the MGIB. It has come to TMC’s attention that some government officials are concerned that this proposal would hurt National Guard and Reserve (G-R) reenlistment and retention programs.

In response, TMC notes there are a number of reasons this assertion is untrue. First, DoD survey data indicate that “education” is not a key variable in extension or reenlistment decisions. More importantly, reenlistment or extension in the Guard and Reserve enables the service member to retain original Reserve MGIB benefits under ‘Chapter 1606’ and the potential to acquire more active duty MGIB entitlement through successive activations. Moreover, those who stay in service and are mobilized again (and again) would earn month-to-month entitlement of the active duty MGIB up to 36 months of benefits (and they would still have 12 months left to use under ‘1606’ since current law allows dual-benefit accrual up to 48 mos. maximum entitlement). In short, there is a built-in incentive to continue serving in the Selected Reserve because of the potential to retain existing MGIB benefits (‘1606’) and mobilization benefits, as proposed.

TMC would note also that Congress has approved hundreds of millions of dollars for cash bonuses for Total Force members since 9/11. These have proven to be very helpful in meeting or exceeding reenlistment goals in the active and reserve forces.

Finally, over the twenty-one year history of the MGIB no research has demonstrated that active duty service men and women “get out” just because of the MGIB. Both active duty and reserve troops can use their MGIB while serving, and don’t have to wait until separation. Many other valid personal and family reasons influence these volunteers’

decision to serve. To argue that they should be compelled to remain in service to retain their mobilization MGIB benefits is unfair and an insult to their spirit of voluntarism.

***TMC urges the Subcommittee to endorse portability of reserve MGIB benefits earned during a mobilization under contingency operation orders. TMC also recommends the elimination of the 14-year time constraint for in-service usage of 'Chapter 1606' and 'Chapter 1607' MGIB benefits.***

3. *Steep decline in proportional parity for initial-entry Reserve MGIB benefits.* For the first 15 years of the Reserve MGIB (Chapter 1606, 10 USC), benefits earned by individuals who initially joined the Guard or Reserve for six years paid 47 cents to the dollar for active duty MGIB participants. Since 9/11, however, the ratio has dropped to 29 cents to the dollar. One consequence of the rate drop is that the Chapter 1606 program is weakening as a recruitment and retention program and, thus, not fully carrying out the intent of Congress.

***TMC urges Congress to address the growing benefit gap between the Reserve MGIB (Chapter 1606) and the active duty program as soon as possible, especially because Guard and Reserve recruitment continues to be under enormous strain.***

4. *Chapter 1607 Rate Formula.* The Total Force MGIB proposal would change the rate formula from a percentage basis to month-for-month entitlement. Some have suggested this would amount to a benefit cut. TMC would note in response that the Total Force MGIB proposal is fairer and ultimately more generous to mobilized troops due to the portability feature. In addition, it better supports DoD's policy of using the G-R on active duty every five or six years (tens of thousands already have served two tours within the last five years). The proposal would enable a G-R member ultimately to acquire full MGIB benefits for 36 months service on contingency operation orders. Presently, Chapter 1607 awards \$14,890 for 91 days active duty at current rates, \$22,300 for one-year and one-day of active duty, and \$29,779 for 24 months active duty, assuming full-time training or study. The design of the current '1607' was determined with little or no consultation with DoD or VA, and the benefit structure is not proportional to the service performed.

***TMC recommends that Chapter 1607 be transferred to Title 38 and that the rate formula be adjusted to month-to-month entitlement of active duty benefits under Chapter 30, 38 USC, and TMC recommends a transition benefit be authorized for post-service use.***

5. *Administrative difficulties.* DoD and VA officials report enormous challenges in de-conflicting and coordinating the oversight and management of MGIB programs. Policy and procedural challenges are compounded by outmoded information management and information technology support for the MGIB.

***TMC recommends the integration of active duty, National Guard and Reserve MGIB programs under one title (Title 38) to facilitate resource planning and support for effective and efficient management of these programs.***

## Related MGIB Issues

TMC recommends Subcommittee consideration of the following issues that should be incorporated at an appropriate time into the design of the Total Force MGIB.

*Enrollment Option for Career Servicemembers who Declined “VEAP”.* Approximately 50,000 career servicemembers who continue to serve on active duty declined to enroll in the precursor to the MGIB known as “VEAP”, the Post-Vietnam Era Veterans Education Assistance Program (Chapter 32, Title 38). Many declined VEAP on the advice of military counselors. They were told that they would do better to invest the VEAP enrollment fee of \$2700 and wait to enroll in the coming Montgomery GI Bill. ***TMC supports enactment of H.R.269 (Rep. Camp, R-MI), a bill that would permit a one-time MGIB enrollment option for currently serving VEAP-‘decliners’.***

*Flexible Delivery of Benefits.* Presently, lump-sum payments under the MGIB are available for certain high tech courses and for licensure and certification exams. Many veterans would prefer to use their benefits for particular job-training programs but are precluded under the current rules.

***TMC recommends opening usage rules to allow accelerated delivery of MGIB benefits for qualifying training programs other than high-tech courses. TMC notes, however, that enactment of this benefit would be of no use to mobilized reservists who elect to separate upon completion of their service contract, unless portability were also authorized.***

*\$1,200 MGIB Enrollment “Tax”.* The MGIB is one of the only government-sponsored educational programs in America that requires a student to pay \$1,200 (by payroll deduction during the first 12 months of military service) in order to establish eligibility. This \$1,200 DoD payroll cost-avoidance method amounts to little more than a tax penalty on a benefit that must be paid for before it is received. Sadly, this fee causes many young enlisted service members to decline enrollment simply because they are given a one-time, irrevocable decision when they are making the least pay and under the pressure of initial training. Those who decline enrollment—many due to financial necessity—do not have a second chance to enroll in the program. This is a major heartburn item from our lowest-ranking volunteers entering military service.

Recruits feel in a sense it is a “dirty trick” to offer such an important program only when it is clearly a financial burden for enlisted members to enroll in it. After all, because of lower pay, enlisted members must sacrifice a significantly higher percentage of their income in order to be eligible for the program. Further, it sends a very poor signal to those who enter service expecting a world-class educational benefit.

S. 43, (Sen. Chuck Hagel, R-NE) and its companion bill, H.R. 786 (Rep. Lee Terry, R-NE), would take the first step by eliminating the \$1,200 user fee for those serving during the period of Executive Order 13235. (Both bills also would give a second MGIB enrollment opportunity for those serving during this period).

***TMC recommends the ultimate elimination of the MGIB \$1,200 payroll reduction.***

*Benchmarking MGIB Rates to the Average Cost of Education.* Department of Education data for the 2005-2006 academic year show the MGIB reimbursement rate for full-time study covers 61% of the cost at the average public four-year college or university.

***TMC recommends the Subcommittee support benchmarking MGIB benefit rates to keep pace with the average cost of education at a four-year public college or university.***

*Transferability of Benefits.* About two-thirds of today's force is married. Many reenlistment decisions are based on family needs. *TMC supports enactment of legislation to permit a servicemember to transfer up to one-half of remaining MGIB-AD entitlement to immediate family members in exchange for a career commitment* (e.g., those who commit to serve at least 14 years normally will later complete 20 or more years service).

***To support active force career retention, TMC recommends establishment of a MGIB transferability option at the 12<sup>th</sup>-14<sup>th</sup> year of service.***

#### **Transition Assistance Program (TAP) for National Guard and Reserve servicemembers**

TMC is pleased to offer its views on TAP-related issues affecting members of the National Guard and Reserve forces.

*TAP Funding.* TAP funding is inadequate to meet the needs of servicemembers separating from active military service – active duty and mobilized members of the reserve forces. The GAO concluded last year that that TAP funding requirements are based entirely on projected active duty separations. The Services separate about 200,000 active duty troops per year and TAP budgets were built on that projection alone. But since 9/11 more than 500,000 Guard and Reserve troops have been called up.

In 2004, for example, 117,000 Guard and Reserve troops were de-mobilized, but no additional funds were earmarked by the Departments of Defense, VA, or Labor for TAP activities for them. Taking an average of about 100,000 Guard and Reserve separations per year, ***TMC recommends that TAP budgets be increased by 50% over current spending levels.***

*TAP in the Guard-Reserve Setting.* TMC agrees with the GAO that the TAP program should be adapted to meet the needs of Guard and Reserve troops separating from active duty. However, the last thing these soldiers need is a compulsory week of TAP outbriefings immediately following separation.

Spouses and families are primary consumers of key TAP information and services and should be available to participate in TAP activities. In addition, TAP information needs to be tailored to their specific needs. TMC supports initiatives like state-based Employment Workshops and exporting TAP best-practices in states like New Hampshire and Maryland. ***TMC also recommends that TAP Veterans Benefits briefings from the Dept. of Veterans' Affairs and Dept. of Labor should be adapted for reserve troops and delivered back in the community, wherever possible.*** Many Guard and Reserve troops would benefit by information on enrollment in VA health care, filing claims for disability, reemployment rights, economic and financial rights and protections under the Servicemembers Civil Relief Act, Small Business Administration "disaster type" loans, VA home loans, family assistance and counseling, and other valuable program information.

TMC agrees with the GAO finding that there is some progress in developing TAP checklists that address the unique needs of Guard and Reserve servicemembers and their families. However, ***TMC recommends that that servicemember TAP 'checklists' must be made more user-friendly for the Guard and Reserve, whose need for information and services often differs considerably from active duty troops.***

TMC wants to emphasize that more needs to be done to advise returning Guard and Reserve veterans and their families about mental health counseling and related services. A number of TMC organizations are actively engaged in providing outreach and support assistance to disabled veterans in the community. We in the Coalition are proud of that work but recognize its inherent limitations.

***TMC recommends that the House Committee on Veterans Affairs provide keen oversight on mental health funding requirements for all returning service men and women and their dependents.***



**Biography of Robert F. Norton, COL, USA (Ret.)**  
**Deputy Director, Government Relations, MOAA**  
**Co-Chair, Veterans' Committee, The Military Coalition**

A native New Yorker, Bob Norton was born in Brooklyn and raised on Long Island. Following graduation from college in 1966, he enlisted in the U.S. Army as a private, completed officer candidate school, and was commissioned a second lieutenant of infantry in August 1967. He served a tour in South Vietnam (1968-1969) as a civil affairs platoon leader supporting the 196th Infantry Brigade in I Corps. He transferred to the U.S. Army Reserve in 1969 and pursued a teaching career at the secondary school level. He joined the 356th Civil Affairs Brigade (USAR), Bronx, NY and served in various staff positions from 1972-1978.

Colonel Norton volunteered for active duty in 1978 and was among the first group of USAR officers to affiliate with the "active Guard and Reserve" (AGR) program on full-time active duty. Assignments included the Office of the Deputy Chief of Staff for Personnel, Army Staff; advisor to the Asst. Secretary of the Army (Manpower & Reserve Affairs); and personnel policy and plans officer for the Chief, Army Reserve.

Colonel Norton served two tours in the Office of the Secretary of Defense (OSD). He was responsible for implementing the Reserve Montgomery GI Bill as a staff officer in Reserve Affairs, OSD. From 1989 –1994, he was the senior military assistant to the Assistant Secretary of Defense for Reserve Affairs, where he was responsible for advising the Asst. Secretary and coordinating a staff of over 90 military and civilian personnel. During this tour, Reserve Affairs oversaw the call-up of more than 250,000 National Guard and Reserve component troops for the Persian Gulf War. Colonel Norton completed his career as special assistant to the Principal Deputy Asst. Secretary of Defense, Special Operations / Low Intensity Conflict and retired in 1995.

In 1995, Colonel Norton joined Analytic Services, Inc. (ANSER), Arlington, VA as a senior operational planner supporting various clients including UN humanitarian organizations and the U.S. Air Force's counterproliferation office. He joined MOAA's national headquarters as Deputy Director of Government Relations in March 1997.

Colonel Norton holds a B.A. in philosophy from Niagara University (1966) and a Master of Science (Education) from Canisius College, Buffalo (1971). He is a graduate of the U.S. Army Command and General Staff College, the U.S. Army War College, and Harvard University's Senior Officials in National Security course at the Kennedy School of Government.

Colonel Norton's military awards include the Legion of Merit, Defense Superior Service Medal, Bronze Star, Vietnam Service Medal, Armed Forces Reserve Medal, Army Staff Identification Badge and Office of the Secretary of Defense Identification Badge.

Colonel Norton is married to the former Colleen Krebs. The Nortons have two grown children and reside in Derwood, Maryland.



EXECUTIVE SUMMARY OF STATEMENT BY  
C. DONALD SWEENEY  
LEGISLATIVE DIRECTOR  
NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES  
BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
MARCH 22, 2006

The testimony is provided on behalf of the National Association of State Approving Agencies. It addresses “ways to make VA’s education benefits more flexible and ease the administration of the benefit for both colleges and universities, and students”. It also presents the Association's views on the Total Force Montgomery GI Bill proposal that was introduced by the Secretary’s Advisory Committee on Education and supported by the Partnership for Veterans Education.

The Association supports the Total Force Montgomery GI Bill proposal, a relatively simple, but far reaching idea. It simplifies administration which should bring efficiency and costs savings to the federal government and it creates equality for those who serve on active duty from the Selected Reserve forces. These do not exist today. Today’s administration is a cumbersome and time consuming process based on the need for extensive interaction between the Departments of Defense and Veterans Affairs and Selected Reservists are not treated equally, despite the fact that they may have been deployed to a war zone more than once.

The Association makes several recommendations for ways to make the VA’s educational assistance programs more flexible and one multi-part recommendation on how to ease the administration of the benefit. Recommendations include (a) Title 38, U.S. Code revisions to accommodate the principle of lifelong learning, (b) providing greater opportunities for veterans to enter, maintain or advance in an occupation or profession, (c) easing the approval process for short term education and training, (d) removing unnecessary approval criteria in specific situations, (e) increasing opportunities to use the accelerated payment provision, (f) maintaining the current rate of benefits for job training programs, (g) modernizing approval criteria for correspondence courses, (h) providing use of benefits for remedial and deficiency courses offered through online education, and (i) ways to expedite the VA systems for processing the payment of VA educational assistance benefits.

STATEMENT FOR  
THE RECORD BY  
C. DONALD SWEENEY  
LEGISLATIVE DIRECTOR  
NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES  
BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
MARCH 22, 2006

### **Introduction**

Chairman Boozman, Ranking Member Herseth and members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of the National Association of State Approving Agencies to provide comments on “ways to make VA’s education benefits more flexible and ease the administration of the benefit for both colleges and universities, and students”. We also appreciate the opportunity to present our views on the Total Force Montgomery GI Bill proposal that was introduced by the Secretary’s Advisory Committee on Education and is supported by the Partnership for Veterans Education, a coalition of over fifty military, veteran services and educational organizations.

### **Remarks**

As a founding member of the Partnership, the Association is proud to support the Total Force Montgomery GI Bill proposal. It is an idea whose time is overdue. The security and, I dare say, the future of our nation is hinged upon the efforts and successes of the one percent of our population who put their lives on the line for the freedoms that we all so thoroughly enjoy. They deserve no less from the rest of us than to be provided the best possible programs and services to insure that they can continue to strive to be the leaders and builders of tomorrow. As has been or will be stated by others here today, the Total Force MGIB is a relatively simple, but far reaching proposal. It simplifies administration and therefore should bring efficiency and costs savings to the federal government and it creates equality for those who serve on active duty from the Selected Reserve forces – equal opportunities and benefits for equal service rendered. These do not exist today. We have a cumbersome and time consuming process based on the need for extensive interaction between the Departments of Defense and Veterans Affairs and we have developed what I will label as one of the worst forms of coercion that our nation could have created. To retain GI Bill educational assistance, a Selective Reservist must remain active in the Reserves, despite the fact that they may have been deployed to a war zone more than once. We believe that they are an integral part of the Total Force military and should be treated as such in all respects.

There are several recommendations that we would like to offer on ways to make the VA's educational assistance programs more flexible, some of which have been previously expressed in the Association's formal Legislative Agenda. First, however, we would like to commend the Congress on its achievements. Much has been done in recent years to provide service members, veterans and other eligible persons with greater opportunities to use the education and training benefits which they have earned. Provisions concerning licensing and certification tests, accelerated payments, college entrance and advance placement exams, and an expanded definition for what constitutes an educational institution have all been enacted and have proven to be very helpful to veterans. Yet, the very nature of today's learning environments and ever evolving global economy demand that we continue our improvement efforts to insure that the programs remain viable. We are truly in a world where lifelong learning is vital to our nation remaining a world leader. It is imperative that we work to make sure that our veterans have the best possible opportunities to enhance their knowledge and learn new skills so that they can maximize their contributions to their families, their communities and the nation. In our view, the GI Bills should be the premier educational assistance programs in the country, bar none.

With the above statement as a backdrop, the Association would like to offer the following recommendations for change in the provisions of law for the administration of the various GI Bills.

**1. Recommendation – Revise Section 3452 (c) of Title 38, U.S. Code to provide for the use of VA educational assistance benefits for enrollment in any unit course or subject, or combination of courses or subjects (Title 38 terminology) necessary to obtain, maintain, or advance in a profession or vocation.**

The law already provides for limited use of benefits for course(s) “to fulfill requirements for the attainment of a license or certificate.....in a high technology occupation”. This recommendation expands the provision to all professions and vocations/occupations; recognizes that a single unit course or subject may be all that a veteran needs to obtain, maintain, or advance in a profession or vocation; and, provides for the use of benefits while enrolled in a subject or a combination of subjects without requiring a connection to a license or certificate.

**2. Recommendation – Create a Task Force of representatives from Congressional Committee staff, VA and NASAA to establish a new set of approval criteria, possibly as Subsection E under Section 3676 of Title 38, U.S. Code, for the purpose of approving the kind of course pursuit described in Recommendation 1.**

Most of the private entities described in Section 3452 (c) are approved as non-accredited under the provisions of Section 3676 of Title 38, U.S. Code. This Section requires a “soup to nuts” evaluation of a program of education offered by the institution and, historically, has proven to be invaluable to insuring the quality and integrity of the programs offered by these types of institutions. However, are all of the criteria necessary

to insure the quality and integrity of learning experiences that are short in duration, whether offered by a Continuing Education Division of a postsecondary educational institution or a private entity as currently provided for in Section 3452(c)? Are entrance requirements; a certificate of completion; and, policies on credit for prior learning, academic progress, conduct, attendance and pro rata refund really necessary for the approval of a 40 hour Hazmat course or a 160 hour Oil Burner course? Members of Association are discussing this issue and believe that we are now at the point of where deliberations by a wider circle of stakeholders would be beneficial.

**3. Recommendation – Revise Section 3014A to allow accelerated payment of basic educational assistance for education leading to employment in industries other than “high technology” and place limitations on the length of such programs for use of the provision.**

Even with the recent increases in the monthly benefit amount, some veterans find it cost prohibitive to enroll in an institutional program that will provide the knowledge and skills necessary for them to reach their occupational or professional objective. Removing the current restriction that requires enrollment in a program that leads to employment in a high technology industry would allow greater opportunities for more veterans to use their GI Bill benefits. Additionally, revise the law to limit the length of a program that qualifies for accelerated payment to two years. The discussions that led up to the enactment of the original legislation centered on short term high technology courses. The language that was enacted does not impose any limitations on length, therefore all high technology programs, including many four year degree programs, qualify.

**4. Recommendation – Revise the period of operation (two year) rule to exempt certain non-degree programs. The programs would be ones that are offered by (1) an accredited, degree granting, proprietary for profit or not for profit educational institution or (2) a degree offering branch of such institutions when the institution has at least one degree program already approved for GI Bill purposes.**

The intent of Congress when it revised the period of operation rule in 1996 can be found in several documents issued during 1995 and 1996. The following excerpt taken from the Explanatory Statement on S. 1711, As Amended, summarizes that intent. “Section 201 of H.R. 3673 would: (a) remove the two year rule restriction on all degree granting institutions, including branch campuses (but not on non-degree granting institutions)...” Changing the rule in accordance with the Recommendation would affect branch locations since in most, if not all, cases the parent campus will have been in operation for two years before attaining accreditation. The change also would be consistent with the determinations that already have been made about the quality and integrity of the degree programs offered by the institution and the capacity of the institution to fulfill its commitment to students.

**5. Recommendation – Revise the pro-rata refund policy requirement [Section 3676 (c)(13)] by exempting government or government supported institutions. A second sentence could be added to part (13) stating that “This provision is not applicable to local, state or federal government institutions or government supported institutions.”**

This change would allow greater flexibility in approving creditable programs of education, especially those offered by governmental or quasi-governmental entities. There are times when the curriculum, instructional methodologies and instructional resources as well as the policies for student enrollment are solidly intact for providing the knowledge and skills necessary for a veteran to enter a profession or occupation. The only provision in law that prohibits the approval of the program is the requirement that the institution have a pro-rata refund policy. In the case of many public entities, they are required to be “affordable” but yet “self-sustaining” and, therefore, operate a very close margin between revenues and expenditures. Within this context, a prolonged refund policy is not practical.

**6. Recommendation – Continue the rate of educational assistance benefits currently in place for veterans enrolled in Apprenticeship and other On-the-Job Training programs.**

The law was changed, effective October 1, 2005, to increase the rate of benefits received by veterans and other eligible persons who are enrolled in apprenticeship and OJT programs. The rate is now 85% of the full time institutional rate for the first six months, 65% for the second six months of training and then 45% for the third and any succeeding period of time. This increase is for a limited period of time – it expires on September 30 of 2007. It is a too early to know for sure, but early indications are that the increases have had a positive effect on the ability of veterans to use this way of gaining knowledge and skills for the occupations or professions of their choice. In combination with extensive outreach activities, there has been a 39.9% increase in the number of approved and active training establishments from 1997 to 2003, and a 53.8% increase in the number of program approval actions at job training establishments from 1997 to 2005. We anticipate continual growth in the use of job training programs.

**7. Recommendation – Revise certain Sections of Title 38, U.S. Code that pertain to Correspondence courses; specifically Section 3672(e) by reducing the six month requirement to complete the program or course to three months, Section 3686(a)(1) by increasing the educational assistance allowance payable from 55 percent to 60 percent of reimbursable costs, and Section 3686(b) by reducing the ten day enrollment affirmation period to five days.**

The law governing the administration of correspondence courses was written in a time before there was wide spread use of computers and the internet. Technology is such today that it provides instantaneous interaction between the student and instructor. The need to insure that ample time for ‘mail to arrive’ is no longer a factor. A five day affirmation period and a three month learning experience are both supported by

communication standards of the day and in line with the changing learning environments of the 21<sup>st</sup> Century. Condensed, short term programs of education are offered by various institutions and can fulfill the needs of many veterans as they pursue their occupational or professional goals.

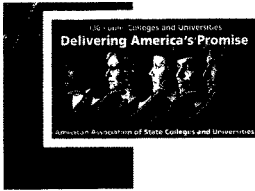
**8. Recommendation – Revise Section 3680A(a)(4) by adding a new subpart, “or (C) remedial or deficiency courses required by an accredited institution of higher learning for entrance into one of their approved postsecondary programs of education”.**

The law currently provides for the payment of VA educational assistance benefits for enrollment in remedial and deficiency courses required for successful entrance and completion of a degree, diploma or certificate program of education if required by the postsecondary educational institution in which the veteran is seeking to enroll. These types of courses are currently offered by postsecondary institutions as a traditional classroom experience or through technology as online education. This change would provide veterans with opportunities to use their benefits when enrolled in either delivery mode; online course enrollments are currently prohibited.

**9. Recommendations Regarding VA Benefit Processing – Encourage VA to (a) promote annual certification of students versus term by term or semester by semester, (b) expedite the development of systems for accepting the electronic signatures of veterans by Regional Processing Offices on VA application forms and (c) provide sufficient discretionary funding for the improvement of technological systems associated with the payment of VA educational assistance benefits, especially for apprenticeship and OJT programs.**

**Closing**

In closing, Mr. Chairman, I would like to thank you again for the opportunity to comment on the Total Force Montgomery GI Bill proposal, ways to make VA's education benefits more flexible, and ways to ease the administration of the benefit for colleges, universities and students. We very much appreciate your efforts to make improvements to the educational assistance programs for those who defend the freedoms that we all so thoroughly enjoy. From a grateful nation, they deserve no less. I would be happy to respond to any questions that you might have.



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STATEMENT

BY

Steve Kime

Vice-President (retired),  
American Association of State Colleges and Universities

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

March 22, 2006

## EXECUTIVE SUMMARY

In addition to the American Association of State Colleges and Universities, **all other major national higher education associations are members of the Partnership for Veterans Education. They support the Total Force GI Bill concept.**

There has been little progress in GI Bill benefits for the Guard and Reserve. **The GI Bill has not kept pace with national military strategy and force deployment policies.**

The Evolution **Chapters 30, 1606, and 1607 has led to inequities in educational benefits.** There is confusion among veterans and administrators.

Contemporary **Adult and Continuing Education and the concept of lifelong learning apply to the entire Total Force** structure. Provisions for accelerated payments, high-tech programs, delimiting dates, etc. need a comprehensive new look.

**The administration of the current patchwork of laws is inflexible, needlessly cumbersome and inefficient:**

- All GI Bill funding and administration belong in the Department of Veteran Affairs where veterans are the first priority.
- An outdated administrative culture dominates GI Bill management. Veterans are micromanaged – the **consequences of this management style are high administrative costs and low morale** for Veterans. "Management by Exception," a familiar management concept, is the opposite of GI Bill management. Every institution and every veteran is treated like a potential lawbreaker. A new attitude is needed.
- **Modern techniques of accounting and administration seem foreign** in DVA administrative and legal culture.
- **Backlogs result from requiring an inordinate amount of information** before a veteran can draw funds from what should be considered his GI Bill "account."
- **Education Services does not enjoy high priority within DVA** Example: it is extremely difficult to reform the administration of GI Bill benefits if funding for state-of-the-art computer expertise and equipment is low priority.
- **Support of veteran administrators at academic institutions is weak**

### Summary:

The current **management of the GI Bill needs** comprehensive, ongoing **reform.** The **proposed Total Force GI Bill is a rare management opportunity** to reform and integrate the GI Bill to render better, fairer educational benefits for those who have served their country.



It is time for one unified and GI Bill, administered and funded by one Cabinet Department, to replace the patchwork that now exists. **There is an historic opportunity at hand to produce a new “Total Force” GI Bill that can be seen by all to be clear, fair, well administered, and in synchronization with national strategy and force deployment policies.**

I am here today as an educator and a veteran. I speak on behalf of the American Association of State Colleges and Universities in cooperation with other national higher education associations that participate in the Partnership for Veterans Education. AASCU and all other major national higher education associations have supported Servicemembers Opportunity Colleges in its advocacy of education for servicemembers and veterans for a third of a century. As members of The Partnership for Veterans' Education, they have strongly supported improvements to the GI Bill.

The **Partnership for Veterans' Education** includes the American Association of Community Colleges (AACC), the American Association of Collegiate Registrars and Admissions Officers (AACRAO), the American Association of State Colleges and Universities (AASCU), the American Council on Education (ACE), the National Association of Independent Colleges and Universities (NAICU), the National Association of State Approving Agencies (NASAA), the National Association of State Universities and Land Grant Colleges (NASULG), and Servicemembers Opportunity Colleges (SOC). All **support the Total Force GI Bill concept**.

First, this Committee should be commended for the improvements that have been made in Chapter 30 GI Bill benefits since the Partnership for Veterans' Education began to urge that those benefits should be "benchmarked" to the cost of a four-year college education at an average public college or university. That benchmark has not yet been reached (Chapter 30 benefits are now about 61% of the benchmark: \$9,234 of \$15,154.) Work needs to be done to reach the benchmark, but Congress has made a meaningful attempt to keep pace with college costs for active duty servicemembers.

There has been **little progress in GI Bill benefits for the Guard and Reserve**. (Advocates had thought that, as Chapter 30 benefits rose, Guard and Reserve benefits would follow. That has not happened. This **lack of progress comes at a time when the nation's military strategy and force deployment policies have transformed Total Force philosophy into an undisputed reality**. Thousands of Guard and Reserve servicemembers, many of them college students or aspiring students, are serving on active duty without fair access to GI Bill benefits commensurate with their

service. The fact is that **the GI Bill has not kept pace with national military strategy and force deployment policies**. The attempt of Chapter 1607 to rectify this is recognized, but confusion and inequities persist that must be addressed.

Others will address the details of how the Total Force concept would adjust benefits to reflect actual service, so I will not address that here. I would like to highlight some entitlement and managerial issues that affect our veteran-students.

1) **The Evolution of various programs (Chapters 30, 1606, and 1607) has led to inequities in educational benefits.** Examples:

- **Reservists called to active duty could receive nothing** if service is at the end of their reserve commitment.

- **No readjustment benefit exists** for members of the selective reserve called to active duty. This in spite of the fact that readjustment after being called to active duty to go in harm's way for extended periods is obviously needed. **A change in the recognized purposes of the GI Bill for these servicemembers is required.**

- The MGIB and MGIB-SR do not pay for the same training. They should.

- Attempts have been made, with mixed results, to adjust the various versions of the active duty GI Bill to contemporary Adult and Continuing Education and the concept of lifelong learning. These **modern trends in higher education apply to all servicemembers in the Total Force structure**. Veterans are adult students, often with families to support, trying to get an education. Provisions for accelerated payment, high-tech programs, delimiting dates, etc. **need a fresh, comprehensive new look in a single GI Bill** that has appropriate access for all types of servicemembers.

2 ) There is **confusion among veterans and administrators**.

- Understandable confusion exists concerning the relationship between the kind of service rendered and educational benefit provided by current legislation.

- The three “tiers” in the Total Force GI Bill concept clearly and fairly provide educational benefits commensurate with kind of military service rendered.

**3) The administration of the current patchwork of laws is inflexible, needlessly cumbersome and inefficient:**

- **Government structure has changed since the original GI Bill:** there are now two Cabinet-level Departments. Strategy, war fighting and maintenance of a combat-ready force rightly occupy the Department of Defense. **GI Bill funding and administration belong, under Title 38 in the Department of Veteran Affairs where veterans are the first priority.**

- An **outdated administrative culture**, buttressed by rules and regulations rivaled only by those of the IRS, **dominates GI Bill management.** Veterans are micromanaged with consequences that result in low morale among veterans and high administrative costs that probably exceed the dollar costs of their benefit.

- **History weighs too heavy at DVA.** Waste, fraud and abuse a half century ago still motivates the bureaucracy and haunts the veteran-student. Of course, abuses still exist in modern forms, but they must be dealt with by modern means. “Management by Exception,” a familiar basic management concept, is the opposite of GI Bill management. **Every institution and every veteran is treated like a potential lawbreaker. A new attitude is needed.**

- Backlogs result from **requiring an inordinate amount of information** before a veteran can draw funds from what should be considered his GI Bill “account.”

- **Modern techniques of accounting and administration,** commonplace at American Express and Wal Mart, **seem foreign in DVA** administrative

and legal culture. Electronic signatures, debit card account maintenance, and rapid, straightforward verification techniques for transactions may not all fit the problems of managing a veteran's "account," but it is difficult to believe that they would not help.

- **Education Services does not enjoy high priority in DVA** where other veterans' benefits, particularly health benefits, involve more funds and much higher political sensitivity. It is **extremely difficult to reform**, or even much improve, the administration of GI Bill benefits **if funding for state-of-the-art computer expertise and equipment is low priority**. Perhaps the single most important material element needed to bring the administration of the GI Bill into the 21st century is high-tech expertise and equipment.

- **Support of veteran administrators at academic institutions is weak.**

Veterans benefit from the strongest possible counseling and administrative structure at the academic institution level. The Veteran Educational Opportunity Program, funded by the Department of Education, helped support veteran administrators at colleges but was allowed to lapse a decade ago. The fee that is paid for veteran certifications (\$7) has not been updated since the 1970s. Veteran administrators on campuses are partners and, with stronger support, can improve the veteran's educational experience as well as the administration of the GI Bill.

## Summary:

The **current management** of the GI Bill **needs comprehensive, ongoing reform**.

Consolidation and clarification of current laws could serve as a basis for management reform and simplification. The **proposed Total Force GI Bill is a rare management opportunity to reform and integrate the GI Bill to render better, fairer educational benefits** for those who have served their country.

It is **time for one unified GI Bill**, administered and funded by one Cabinet Department, to replace the patchwork that now exists. There is **an historic opportunity at hand to**

**produce a new “Total Force” GI Bill that can be seen by all to be clear, fair, well administered, and in synchronization with national strategy and force deployment policies.**

STEVE FRANCIS KIME

3/7/06

Abbreviated CV

**Education:**

- Ph.D. Harvard University, 1971.
- MPA Harvard University, 1968
- B. A. (highest honors) University of Louisville, 1962.
- US Naval Submarine School, 1962-63.
- State Department Foreign Service Institute, Russian Course, 1982-83.
- The National War College, U.S. National Security Policy, Diploma, 1976-77.

**Experience:**

- Board Member, SREB (Southern Regional Education Board) 2005 - present
- President, Servicemembers Opportunity Colleges, 1989-2005.  
This organization serves as liaison between DoD, the major national higher education associations, and over 1900 colleges and universities.
- Vice President, American Assoc. of State Colleges & Universities. 2003 -05
- Chair, Educational Assistance Advisory Committee, Department of Veterans Affairs, 1998 - 2004. (Member since 1990)
- Member, Pennsylvania State University Outreach Board, 2006
- United States Naval Attache to the Soviet Union, 1983- 85
  - Assistant U. S. Naval Attaché to the Soviet Union, 1971 – 73
- Director, United States & International Studies Division, United States Naval Academy, 1986-89.
  - Responsible for the Political Science, Economics and Language Studies Departments. Academic rank of Professor.
  - Member: Admissions & Academic Boards of the U. S. Naval Academy.
- The United States Naval Institute, 1986 - 89.
  - Elected Director on the Naval Institute Board of Control
  - Member, Editorial Board of the Naval Institute Proceedings.
- Deputy Director, Navy Politico-Military Policy and Current Plans Division 1985-6.
- The National War College, 1976-82.
  - Director of Soviet Studies, 1976-82.
  - Selected as Navy Professor, 1978.
  - Associate Dean of Faculty, & Director of Elective Studies, 1979-82.
  - Delegation leader to USSR, Yugoslavia, Romania, The Far East

- Estimator and Analyst (Russian and National Security Affairs), 1973-76
- Sea duty: Submariner. Captain, USN (RET)



Required statement on amount and source of any federal grant or contract in the past  
two years relevant to this testimony:

Steve F. Kime has, with the exception of salary received from Servicemembers Opportunity Colleges, received no funds from federal grants and contracts in the past two years.

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s/ Steve F. Kime

# **Veterans' Education Benefits in Context:**

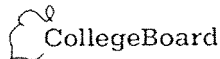
## **The Price of College, How Students Pay, and Why it Matters**

Joyce Elliott  
The College Board

Testimony to the  
House Veterans Affairs Committee  
Subcommittee on Economic Opportunity

March 22, 2006

- The federal government's education benefits for veterans play a significant role in increasing educational opportunities in the United States. During the 2004-05 academic year, 16 percent of the \$18.2 billion in grant aid provided to students by the federal government was in the form of veterans' benefits.
- The vast majority of veterans reentering American society do not have a college degree and few have the resources to finance higher education on their own.
- Older students, such as those entering the civilian world from the military, tend to work while enrolled in school on a part-time basis, significantly reducing the likelihood that they will complete bachelor's degrees.
- The benefits of investing in higher education accrue to individual students in the form of higher earnings and better employment conditions, but also to society as a whole. In addition to paying higher taxes and being less dependent on public subsidies, college graduates are significantly more likely than others to be actively engaged citizens.



The federal government's education benefits for veterans play a significant role in increasing educational opportunities in the United States. During the 2004-05 academic year, 16 percent of the \$18.2 billion in grant aid provided to students by the federal government was in the form of veterans' benefits.<sup>1</sup> Providing the necessary resources and encouragement for those who have served in the military to participate in higher education is vital both from an equity perspective and for the development of the nation's labor force.

While commissioned officers tend to be college-educated, the vast majority of military recruits are high school graduates with no postsecondary experience. Although the proportion of military recruits holding college degrees has risen very slightly in recent years, it remains below 5 percent. More than half of these recruits come from households whose incomes would likely make them eligible for Pell Grants if they were to enroll in college instead of entering the military.<sup>2</sup> Moreover, there is evidence that combat experience reduces lifetime educational attainment, even after controlling for cognitive ability.<sup>3</sup> The benefits that accrue both to individuals and to society as a whole as the result of higher education make the investment in subsidizing veterans well worth the cost. The rising price of higher education and the limited earnings ability of those who return from the service with only high school credentials make subsidies critical to creating these opportunities.

The United States has an excellent system of higher education that provides a variety of experiences to meet the diverse needs of the population. Forty-four percent of all college students are enrolled in public two-year colleges, where the average tuition and fees for full-time students are only \$2,200.<sup>4</sup> However, when the other expenses involved in full-time enrollment are considered, the average cost of attendance is \$11,700. Moreover, earning a bachelor's degree requires at least two years of enrollment in a four-year college or university. In 2005-06, tuition and fees at these institutions average \$5,500 for in-state residents and the total cost of attendance for those who commute to campus is \$16,000 a year – over 50 percent of the average earnings of male high school graduates between the ages of 25 and 34 and 75 percent of the average earnings of female high school graduates in the same age range.

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<sup>1</sup> The College Board. *Trends in Student Aid 2005*. Washington, DC. The College Board.

<sup>2</sup> Tim Kane. "Who Bears the Burden? Demographic Characteristics of U S Military Recruits Before and After 9/11," The Heritage Foundation, Center for Data Analysis Report #05-08. <http://www.heritage.org/Research/NationalSecurity/cda05-08.cfm>.

<sup>3</sup> Michael Lyons, William Krienen, Michael Grant, Heather Brenner, Corwin Boake and Scott Eisen "Vietnam Service, Combat, and Lifetime Educational Attainment: Preliminary Results from the Vietnam Era Twin Study of Aging " *Research on Aging*, Vol. 28, No. 1, 37-55 (2006)

<sup>4</sup> The College Board. *Trends in College Pricing 2005*. Washington, DC. The College Board

Table 1: The Price of College, 2005-06

	<b>Tuition &amp; Fees</b>	<b>Total Expenses (for off-campus students)</b>
Two-year public	\$2,191	\$11,692
Four-year public	\$5,491	\$15,991
Four-year private	\$21,235	\$32,070

Because of the combination of college prices and family responsibilities, many older students, such as those who have served in the military before continuing their education, attend college part-time. While this option may be the only viable choice for many people, it significantly increases the time it takes to earn a degree, postponing the time when they can reap the financial benefits of their education. Moreover, the probability of completing a degree is significantly diminished by part-time attendance. Only about a third of part-time bachelor's degree seekers are either still enrolled or have earned a degree five years after beginning their studies.<sup>5</sup>

Both tuition and fees and the other costs associated with college enrollment consistently rise more rapidly than student and family ability to pay. As a result, students increasingly rely on debt to finance higher education. A third of all independent undergraduates borrow and 57 percent of those enrolled full-time borrow an average of \$7,500 a year to pay for college.<sup>6</sup> As interest rates on student loans increase, the grant aid these students receive will be more and more critical to their ability to enroll and succeed in higher education.

It is clearly in the interest of individual students to maximize their educational attainment. While there is considerable variation in earnings among those with similar levels of education, earnings levels are highly correlated with years of education. But it is not only the students themselves who benefit from continuing their education. There are also significant benefits for society as a whole from increasing educational attainment. In addition to the fact that they tend to be accompanied by more generous employee benefits, including health insurance and pension coverage, the higher earnings of college graduates generate higher local, state and federal tax payments, as detailed in Table 2. College graduates are also much less likely than individuals whose formal education ended with high school to live in poverty, to be unemployed, and to depend on social income support programs. In other words, the investment in higher education has a high rate of return not only for individuals, but also for society as a whole.

<sup>5</sup> Susan Choy. *Access and Persistence: Findings from 10 Years of Longitudinal Research on Students*. American Council on Education. 2002.

<sup>6</sup> Lutz Berkner et al. *Undergraduate Financial Aid Estimates for 2003-04 by Institution Type*. NCES 2005-163, National Center for Education Statistics, June 2005.

Table 2: Median Earnings and Estimated Tax Payments  
by Level of Educational Attainment, 2003

Highest Level of Education	Median Earnings, 2003	Estimated Total Taxes Paid
Less than high school	\$21,600	\$4,300
High school graduate	\$30,800	\$6,500
Some college, no degree	\$35,700	\$8,100
Associate degree	\$37,600	\$8,400
Bachelor's degree	\$49,900	\$11,800
Master's degree	\$59,500	\$14,500
Ph.D.	\$79,400	\$20,300
Professional degree	\$95,700	\$24,800
Source: The College Board, <i>Education Pays Update, 2005</i>		

As a group, veterans constitute a population of capable citizens who have not yet taken advantage of the opportunities offered by the American higher education system. Like others who are not in a position to be supported by their parents while they pursue college degrees, veterans depend on a combination of grants, loans and work to finance their educations. The federal government's grant aid to veterans plays a major role in making college a real possibility for these Americans.



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**NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS**

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Suite 1975 • 2020 Pennsylvania Avenue N.W. • Washington, D.C. 20006-1846

TESTIMONY

OF

**DAVID A. GUZMAN**  
NAVPA  
LEGISLATIVE DIRECTOR

AND

**FAITH A. DESLAURIERS**  
NAVPA  
LEGISLATIVE COMMITTEE CHAIR

BEFORE THE HOUSE VETERANS AFFAIRS SUBCOMMITTEE ON  
ECONOMIC OPPORTUNITY

on

OVERSIGHT HEARINGS ON TRANSITION ASSISTANCE FOR  
MEMBERS OF THE NATIONAL GUARD AND EDUCATIONAL  
BENEFITS FOR THE TOTAL MILITARY FORCE

Rogers, Arkansas

MARCH 22, 2002

## NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS

2020 Pennsylvania Avenue NW, Suite 1975

Washington, D. C. 20006-1846

Good Morning Mr. Chairman, members of the House Sub-Committee on Economic Opportunity, House Veterans Affairs Committee. I am David Guzman; Legislative Director of the National Association of Veterans Program Administrators and with me is Faith DesLauriers, the NAVPA Legislative Committee Chair. We have been asked to provide testimony concerning the flexibility of the current title 38, U.S.C. and Title 10, U.S.C, as relates to education programs as well as related administrative processes. Thank you for this opportunity.

While both Title 38 and Title 10 U.S.C. as relates to the Montgomery GI Bill are admirable programs that have allowed service members a readjustment or employment needs education and training plan, these excellent programs, as envisioned by US Representative G. V. "Sonny" Montgomery, have not had the benefit of being updated to meet today's technological advancements or the involvement of the total force military. Many of the statutory and administrative requirements are applied in such a manner as to be restrictive and, in some cases, deny educational and training benefits to eligible veterans. The NAVPA Legislative Agenda for 2006 outlines many of these barriers. We know that efficiencies can be gained in a win-win-win scenario (VA-School-Veteran) and we have made such recommendations in our agenda, which was distributed to the sub-committee on February 1, 2006. While the VA has been open too many of our suggestions the continual turnover of the Director of Education Services has impaired progress. Past directors have indicated that our recommendations are sound but they leave before any actions are taken; progress is stopped and in fact we find ourselves starting over after a new director is named and after he or she becomes familiar on the technologies employed and is comfortable in the new position. Some of these recommendations include: staffing VA education services for TAPS briefings like the VA C&P program, VA Education employees can counsel more appropriately on education issues; Make processing rules the same for all benefits. Treat reductions, terminations, entitlement extensions, remedial hours, and any other payment issues the same for all benefits. Considering that a claims examiner handles many different types of claims, the more variation in the rules between benefits complicates processing and slows down service to veterans; if the claimant is eligible for a higher rate the VA should pay the higher benefit and notify the claimant of such action. Currently, Public Law 108-375 requires the VA to obtain an election if the claimant is eligible for Chapter 1607 and another benefit; eliminate the need to develop for mitigating circumstances for reductions and terminations under all education benefits.

Make the change effective the date it occurs regardless of when in the term it happens as most schools require a specific “standard of progress”, if the students are not meeting the school’s specified standard of progress the school would not allow them to continue to enroll and the VA certifying official will terminate for cause; on electronic applications accept electronic signatures, and develop a web portal for veterans to view their records specifically on notification of receipt of their application, determination of eligibility, and other electronic notifications the now tend to bog down processes or tie up phone inquiries.

NAVPA has long held that the GI Bill is an earned benefit, as well as an investment, that should not have a 10 year delimiting date but that the delimiting date should be extended to 15 or 20 years to better address the needs of life-long learning. Many veterans cannot use the benefits immediately following service to our country because of family commitments; when they finally are able to attend college the benefit has expired because of the 10 year delimiting rule, a real disservice to those who served honorably and truly need assistance. Most veterans accessing the MGIB use the 36 months of eligibility within their first college degree program; however, there are many others who need the benefit to pay for high cost short term programs; for on the job training and apprenticeships, or to upgrade skills in their profession.

There are 12 VA education programs now, too many for the VA and schools to manage at acceptable levels. The eligibility requirements for these programs are confusing to the VA let alone for the school certifying official. Remember that those school program administrators are at the business end of the GI Bill. If the schools cannot help a veteran because of confusing criteria you can imagine the frustration of the veteran seeking help. This is where the Total Force GI Bill concept comes in -- a fresh and new approach to an education program and equitably rewarding our veterans for their service to our country, one clean bill to replace and update the MGIB.

A new total force approach could only enhance the support and services provided to our service members and veterans from all branches of service. The total force concept includes active, National Guard and Reserve forces. Post-service benefits should be developed to ensure that they are commensurate with the type and length of service as well as the risk exposure from mobilization/deployment addressed in the total force concept paper.



Administratively, claims processing needs to be made more efficient through consolidation of the four VA regional processing centers to one— claims are submitted to the VA in electronic format – staff savings in consolidation could be put to more urgent needs within DVA – one stop processing of claims means one consistent answer to veterans and school certifying officials. An on-line, secure, web portal, similar to your bank, school, airline, etc., would make for an efficient method of sharing information with school certifying officials as well as to the client, the veteran; this is not new technology – can you imagine the reduction in phone calls.

Administrative details such as reporting data in the school certification to VA that are subject to annual audit should not be necessary as too many claims are held in abeyance pending receipt of information that does not affect the status of the claim for education benefits such as reporting prior credit and/or change of program. Tie military separation physicals to VA compensation physicals to ensure that separating veterans are not delayed in receiving benefits due to not having a VA compensation physical. Often delays are caused by veterans having to complete a compensation physical after separation – the physical can take 6 months to over 2 years depending on the location of the veteran and the work load of the VA in that state/area.

Finally, we ask Congress to authorize a Veterans Service, Education and Training Program grant (VSET) to be used by school veteran program administrators to enhance services to student veterans, outreach to non student veterans in the local community and for training of school certifying officials. DVA compensation for schools to develop enrollment verifications for the VA is totally inadequate and has not been updated or increased since early 1970.

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**DAVID A. GUZMAN**

Mr. David A. Guzman is the Legislative Director for the National Association of Veterans Program Administrators (NAVPA). He served for 15 years in the higher education community and retired from Washington State University in Pullman, Washington as University Registrar.

He has served on numerous national, state and local veterans' advisory councils and committees. He recently served on the Secretary of Veterans Affairs Advisory Committee on Education (2002 – 2005) and is a past chair of the Washington State Governor's Veterans Affairs Advisory Council. He is a member of the Air Force Association Veterans and Retiree Council.

Mr. Guzman is a veteran of 30 years service with the US Air Force. He retired as the Command Chief, Senior Enlisted Advisor the Commander-in-Chief, Pacific Air Forces, Hickam AFB, Hawaii. Additionally, his assignments included duty as Senior Enlisted Advisor to the commander, United States Logistics Group, Ankara, Turkey, Personnel Sergeant Major, Sembach AB, Germany, Personnel Sergeant Major, 5<sup>th</sup> Allied Tactical Air Force (NATO), Vicenza, Italy, Chief, Test Control Branch, USAF Military Personnel Center, Randolph AFB, TX, Senior Enlisted Advisor to the Commander, Space Division, Los Angeles AFS, CA. His military decorations include the Legion of Merit, the Meritorious Service Medal with three oak leaf clusters, the Air Force Commendation Medal with one oak leaf cluster, the Armed Forces Expeditionary Medal (Southeast Asia) and the Vietnam Service Medal with three bronze stars.

Mr. Guzman holds a Masters of Education from the University of Idaho (1990), a Bachelors of Arts in Management from the University of Phoenix (1988) and an AAS in Resource Management from the Community College of the Air Force (1983). His post graduate work is in Student Services from Washington State University.

He is married to Cathy Ann (Taggart) from Potlatch, Idaho. The Guzman's have two adopted children, David Carlos age 15 and Maria Angela age 14.

[guzmanda@hotmail.com](mailto:guzmanda@hotmail.com)

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**Faith Ann DesLauriers**

faith.deslauriers@erau.edu

Ms. Faith DesLauriers is the University Director of Veterans Affairs for Embry-Riddle Aeronautical University where she is responsible for managing all operations and activities pertaining to the administration of veterans' programs and services. Embry-Riddle, the world's largest, fully accredited university specializing in aviation and aerospace, meets the needs of students and industry through its educational, training, research, and consulting activities. Embry-Riddle educates more than 25,000 students annually through the master's level at residential campuses in Daytona Beach, Fla., and Prescott, Ariz., at more than 130 teaching centers in the United States and Europe, and through distance learning.

She has a 25-year background in the administration of Veterans education programs and is proficient in interpreting and applying Title 38, United States Code of Federal regulations, Chapter 30, 32, 35, and 36, and Chapter 106 of Title 10, USC, States' laws, and VA policies and procedures. Her professional experience includes: Acquires and maintains State and Federal DVA approvals for veteran training at all Embry-Riddle locations. Coordinates the delivery of programs and services to veterans, service persons, reservists and other eligible persons at all ERAU locations. Serve as the primary technical resource for current and changing DVA rules and regulations, assessing the impact and advising the University of the effect on students attending ERAU. Maintains institutional compliance with federal, state and institutional regulations with regard to the administration of veterans education programs. Interpret federal regulations and various states' laws as they apply at each university facility and develop policies and procedures unique to each entity of the university for the delivery of veterans education programs.

Ms. DesLauriers provides training programs, supervision and guidance to approximately 200 Embry Riddle VA Certifying Officials located within 32 states. She is responsible for all regulatory and compliance issues pertaining to the administration of Veteran's Education Programs to over 4,500 Veterans and Servicepersons.

**National:**

National Association of Veterans' Program Administrators (NAVPA)

Oct. 2005 – Present	Legislative Committee Chair
Oct. 2004 – Oct. 2005	Senior Advisor and Legislative Committee Chair (At-Large Representative)
Oct. 2002 – Oct. 2004	President (At-Large Representative)
2000 – 2002	Vice President – Legislative Chair
1999 – 2000	Senior Advisor - Education Committee Chair
1996 - 1999	President (At Large Representative)
1994-1996	Vice-President (Legislative Chair)
1992-1994	Public Relations Chair and News Letter Editor
<i>Member of the Board of Directors, serving Region IV since 1989</i>	

Department of Veterans Affairs – Education Service

Present Appointment	Secretary of Veterans Affairs Advisory Committee on Education
2002 – 2003	Education Service eCERT Project Team
2000- 2001	Education Business Process Reengineering Committee
	Electronic Approval Project Team Co-leader
	Information Technology Team Member
	Training Activities Project Team Leader
1993-1994	Committee for Policy & Standards

**Other**

2003 - Present	Embry-Riddle University Administration Assessment Committee
2001 – 2003	Embry Riddle Student Retention Task Force
2000	Provided testimony to US House of Representatives on MGIB
Enhancements	
1999	Embry-Riddle Customer Service Program Leader
1989 –1990	Florida State Postsecondary Review Entity

**Awards/Honors/Other Accomplishments:**

2003	NAVPA Ron York Meritorious Service Award (Leadership and Significant Contributions)
2001	NAVPA Distinguished Service Award (Outstanding Leadership and Contributions)
1999-2000	Strathmore's Who's Who (Professional Leadership and Achievement)
1999	NAVPA Presidents Award (Outstanding contributions and Support to the President)
1996	NAVPA Presidents Award (Outstanding contributions and Support to the President)
1992	NAVPA Service Award (Dedicated service to Veterans Programs & to NAVPA)

- Collaborated on the planning, promotion and production of the NAVPA InfoPak (CD-ROM), to develop and index a collection of documents, full-text search index and several specialized search indices with 11,035 pages of rules, regulations, references, and resources relating to education programs for veterans and active duty personnel, Reservists, and National Guard.
- Developed and delivered group presentations at national, regional and local conferences for new and experienced veteran program administrators
- Developed the NAVPA Handbook for Certifying Officials, which is used for used for national training programs conducted on an annual basis.

**Regional:**

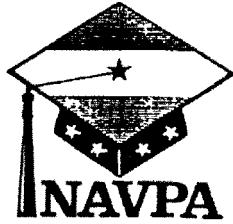
- Serves as a member of the Southern Region Education Committee for Veterans. Appointed by the St. Petersburg VA Regional Office as Florida's representative for the Southern Region. The committee was formed to enhance two-way communication between schools and the Atlanta Regional Processing Office, Identify areas of concern and seek ways to improve service delivery and promote efficiency.

**State:**

- Developed and delivered a training program which served as a model for current and future workshops for certifying Officials to enhance their professional knowledge. Serve as an advisor for this program, which is administered, by the FL Department of Veterans Affairs and the State Approving Agency for Veteran Training.
- Represents over 400 schools and colleges in Florida at VA regional meetings addressing veterans' education issues.
- Embry-Riddle University Veterans Affairs Office was cited by the Florida Department of Veterans' Affairs as having one of best programs in the state of Florida. In addition to the highly efficient VA paperwork, this office has an active counseling program for veterans to maximize their educational opportunities and ultimately their earning power.

**Personal:**

Born in Jamestown, NY. Moved to Florida in 1961. Currently resides in Daytona Beach Florida with husband Richard (Digger). Faith has one son, James Joseph, one grandson (Joseph) and four granddaughters (Hailey, Hannah, Nicole and Madison). Hobbies: Motorcycles (Harley Davidson)



## **NATIONAL ASSOCIATION OF VETERANS' PROGRAM ADMINISTRATORS**

### **Veterans' Education Programs Issues and Legislative Agenda**

**WWW.NAVPA.ORG**

**David Guzman, Legislative Director  
Faith DesLauriers, Legislative Committee Chair  
Giacomo Mordente III, Department of Defense Liaison**

**January 2006**

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**NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS**


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## **STATEMENT OF PURPOSE**

The National Association of Veterans' Program Administrators (NAVPA) is an organization of institutions and individuals who are involved or interested in the operation of veterans' affairs programs and/or the delivery of services to veterans as school certifying officials across the country. A Board of Directors elected at our annual conference governs NAVPA. The purpose of NAVPA is to promote professional competency and efficiency through an association of members and others allied with, and involved in, veterans educational programs and to promote the development, improvement and extension of opportunities to any veteran or dependent of a veteran for his or her personal growth and development to its fullest potential. This is achieved through assisting with the assessment and attainment of individual needs, communicating and cooperating with communities, schools, agencies and organizations at the local, state, regional and federal levels; developing productive relations with the Department of Veterans Affairs, Department of Education, Department of Defense, and other federal or national Veterans Service Organization or agency serving veterans; participating in efforts to facilitate the education and/or training of educationally or otherwise disadvantaged veterans and to promote cooperative studies, research, evaluation, workshops, seminars, conferences, and other activities as may be desired or required to fulfill the purpose of NAVPA.

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## **NAVPA LEGISLATIVE AND REGULATORY ISSUES FOR 2006**

### **VA Work Study**

The student work-study program needs to be expanded to allow veteran students to work in academic or administrative departments at the institution in which they are pursuing their degree. This will enable students to work in a myriad of jobs within the college or university and gain valuable work experience. Work-study expansion would tie in to legislation enacted by the 107<sup>th</sup> Congress, PL 107-288, the Jobs for Veterans Act. We recommend that Congress and DVA support this concept.

### **The Veterans Service, Education And, Training Program Grant (VSET)**

We recommend a two- or three-year pilot program in DVA to demonstrate whether a renewed Veterans Service, Education, and Training grant program proposed herein would be productive and enhance service and outreach. Funding on the order of five million dollars per year would be adequate to do this.

### **GI Bill and Federal Financial Aid Dilemma**

GI Bill benefits often count *against* veterans who seek other financial assistance in attending college and in fact have made the MGIB a negative-benefit. Denial or restriction of *federal* loans and grants to veterans based on GI Bill entitlements, as is often the case, is a wrong that can and should be corrected. We urge legislation that will unambiguously and entirely exempt GI Bill benefits from inclusion as a financial resource in all student financial aid calculations.

### **Elimination of the MGIB Delimiting**

Veterans under the Montgomery GI Bill (MGIB) currently have a "Delimiting Date" of 10 years following separation from active military service. This means that the veteran must use or lose their entitlement by this delimiting date thereby impeding life-long-learning and professional development concepts. NAVPA opposes the elimination of entitlement based on an expiration date. We encourage Congress to eliminate this requirement to veterans' educational opportunities.

### **Increase Reporting Fees to Institutions of Higher Learning**

Based on the number of students enrolled and in receipt of benefits, institutions are compensated at the rate of \$7 for each student. If the educational institution delivers an advance payment check, compensation is increased to the rate of \$11 for that student. These fees have not changed since the inception over 30 years ago; however, several programs have been added on to the enrollment certification clerk's responsibility at the institution. It is time and appropriate for that fee, paid to the college or university, to be increased to \$50.00 per student. Fees should be designated for the office of veterans' affairs for services, outreach, and professional development as outlined in the Education Business Processing Re-Engineering Community of Practice Report, April 25, 2002.

### **The Total Force MGIB for the 21<sup>st</sup> Century**

A new, integrated "Total Force" approach to the GI Bill must be developed to support service recruitment needs and provide in-service as well as post-service benefits commensurate with the length and type of enlistment contract and risk exposure from mobilization/deployment.

### **Appropriate Money for The True Cost of War**

Historically the US Governments' quick resolve to appropriate money for war has fallen short when considering setting aside some of that appropriation to fund the much-needed care of those soldiers who fight in those wars. Therefore, veterans' health care and benefits have not kept pace with the financial obligations needed to pay for them. To solve this problem our Government must factor into the cost of war, the continuing cost care for our veterans. We recommend that legislation be passed that requires the President and the Congress to appropriate money for veterans' care and benefits as a necessary part of their appropriation of money for war. If we cannot afford to keep our promise to care for those who serve our country, we cannot afford to go to war.

## **DVA ISSUES**

### **Efficiencies in Consolidation of Education Claims Processing**

NAVPA is convinced that that policies, databases, etc., within DVA Education Services should be standardized. As technology enables better and faster communications DVA should concentrate on standardizing the procedures of and messages from the RPOs to its shareholders. A reduction in the number of processing points could be made possible as these efficiencies, such as a web portal and electronic certification process, both under development, come to fruition. We believe that better customer service to the veteran as well as efficiencies gained by the DVA would be the end result. Resources from a consolidation could be distributed to other urgent needs within DVA to further reduce backlog in claims processing.

### **Development of a Web Portal**

A web portal will provide an efficient mechanism for information exchange with, and access to, education systems by veterans and other stakeholders, such as schools, State Approving Agencies, etc. We highly recommend that funding for this important initiative be made available to the DVA Education Services Department to allow enhancements for the development of a web portal as initially recommended by NAVPA in 1999.

### **Measurement of Pursuit**

Many students who access their Montgomery GI Bill (MGIB) benefit are placed at a financial disadvantage because of DVA policy to count class enrollment sessions versus term enrollment periods. This often results in a reduction of the veteran students monthly entitlement and is contrary to the disbursement of Title IV funds. VA should change the method to computing all credit hours earned in a standard college term to maximize the GI Bill benefit to the veteran. Term enrollment should mirror the Federal Financial Aid formula to provide equity and continuity in these higher education processes.

**Reporting Prior Credit**

The process of developing and reporting prior credit is counter-productive to good and efficient management. The veterans educational resources can be jeopardized when new certifying officials overlook this mandate and can cause the veteran to become indebted to the VA and the school. VA approved schools are fully accredited and follow conventional admissions practices; reporting prior credit is redundant. This program is a compliance audit issue.

**Accelerated Payment**

While the concept of accelerated payments has been recognized by enactment of recent law, its implementation has missed the mark. Our concern has been that veterans could not pay for short-term technical courses, some of which are not delivered by academic institutions and do not fit familiar models of traditional course delivery. We recommend that DVA take steps to correct the situation.

**Need for Training for School Certifying Officials**

High turnover among certifying officials makes training a priority. DVA needs to develop and implement an aggressive, well-organized training plan that takes advantage of opportunities to train certifying officials at various locations. All the contemporary modes of training should be integrated into this plan. NAVPA is ready to continue to provide field training to school certifying officials with DVA. An increase in reporting fees paid to institutions of higher learning would help accomplish this need. Fees should be designated to the office of veterans' affairs and a portion earmarked for annual training. This was also a recommendation of the DVA Education Services Business Processing Reengineering Team (2002).

**Veteran's Student Work-Study Enhancement**

Many veterans have yet graduated when their MGIB entitlement has expired after having reached its 36th month. These veterans are still in school; still have some time remaining relative to the delimiting date, yet have no VA educational benefit to help them through the remaining few months of school. We recommend that the VA Work-study program not be limited to 36 months, rather be made available to them as long as they have not reached their delimiting date.

**Tie Military Separation Physicals to VA Compensation Physicals**

Too many veterans eligible for increased benefits based on disability are denied or delayed higher education and or training leading to gainful employment because of delays in receiving proper compensatory physical examinations following separation from the military service. We recommend that DoD and VA cooperate on separation physicals for all members leaving active service.

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## VA WORK-STUDY AND JOBS FOR VETERANS: A MATTER OF READJUSTMENT

**ISSUE:** Title 38 U.S.C. § 3485(a)(1)(B) outlines the Department of Veterans Affairs veteran student work-study program; however, the restrictions imposed are too limiting by not allowing veteran students to work at colleges and universities outside of the office of veterans' affairs. These restrictions therefore do not conform to the concept of providing work experience or enhancing jobs opportunities for veterans and their dependents following graduation.

**DISCUSSION:** Current legislation authorizes a work-study program for veteran students, but restricts school job placement to the college/university office of veterans' affairs. There is no opportunity for work experience under this program outside the veterans' affairs office, which in turn, limits the number of veteran students that can be employed. This restriction has a limiting effect on the scope of substantive and relevant student work experience.

Recent legislation, the Jobs for Veterans Act, PL 107-288, provides for priority service to veterans and spouses of certain veterans for the receipt of employment training and job placement. Veterans who are accessing their Montgomery GI Bill at accredited colleges and universities should be afforded better opportunities to expand their VA work-study experience at the institution of higher learning where they are pursuing their degree program. Expansion of the VA student work-study program would compliment the Jobs For Veterans Act of 2002 (PL 107-288) and enhance the veterans' opportunity for job placement following college and ensure that a veterans transition to the world of work is improved following separation from the military and education or training at the institution of their choice to complete the readjustment process, the overall objective of the GI Bill.

**RECOMMENDATION:** NAVPA fully supports a bill introduced in the 1<sup>st</sup> Session of the 109<sup>th</sup> Congress, H.R. 1207, to amend title 38, United States Code, to provide additional work-study opportunities for eligible veterans by allowing veterans the opportunity to work in the college/university office of veterans affairs and/or administrative or academic departments at the degree granting institution of higher learning in which the student is pursuing their academic credentials. This action would compliment PL 107-288, the Jobs for Veterans Act of 2002.

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## VETERANS SERVICE, EDUCATION AND TRAINING PROGRAM GRANT - VSET

**ISSUE:** Offices of Veterans Affairs at Post Secondary Educational Institutions (PSE) approved for the education and training of veterans have traditionally been at the forefront of supporting and championing for veterans rights at colleges and universities. However, these offices are provided few resources and support within the PSE with which to manage their function of administering VA Educational Programs and services for veterans, service persons, guard and reserve members and their dependents to the Department of Veterans Affairs (DVA). The technological advances under development by the DVA mandate that school administrators maintain currency on new applications; however, the lack of adequate resources has placed these offices at jeopardy within the PSE. Many program administrators do not have the appropriate tools to submit timely electronic enrollment certifications and many cannot afford to attend the needed professional training on the myriad of new programs employed and/or planned for implementation by DVA. There is also the requirement at the college and university office of veterans' affairs to maintain compliance with Federal and state laws governing the administration of these programs. Lack of compliance could expose the school to institutional to liability.

**DISCUSSION:** In the past there was a program managed by the Department of Education that provided some funding in this regard. With tuition increasing every year, colleges and universities are looking for ways to reduce administrative costs. Unfortunately, the office of veterans' affairs is an easy target even though veterans comprise up to 10% of the student enrollment at many schools. As DVA develops more efficient methods for reporting enrollment status of veterans and their dependents who access VA educational entitlements, the support hardware and software must be upgraded at the grass roots level in order to be responsive to these new developments and to provide the needed services to the veterans constituency in a timely manner. The high turnover rate at PSE institutions of program officials mandates a need for continual training at the grass roots level. Training remains a top priority for program officials, the DVA and NAVPA. Both Title 38, U.S.C. and 38 C.F.R. 21.4209 require that schools approved for veteran training must maintain certain records and to make these records available for examination by the Department of Veterans Affairs or an authorized representative of the government. Additionally, the institution is responsible for ensuring timely and accurate enrollment reports to the Department of Veterans Affairs. The Institution is liable for overpayments where willful, false or negligent reporting occurs. This issue demands that professional training of school certifying

officials be a continual process to protect the school the certifying official from liability and the student from overpayment of education benefits.

**RECOMMENDATION:** NAVPA recommends that Congress and the Secretary of Veterans Affairs pursue legislation to authorize a new grant program for school offices of veterans' affairs. We hereby introduced a title, the Veterans Service, Education and Training (VSET) Program Grant. VSET would become the program for college and university veterans certifying officials that would enable them to adequately support their veterans' constituency and to reach out to veterans in their communities. This funding would subsidize efforts by schools to upgrade and maintain currency with technological advancements as well as to provide quality services to veterans and their dependents. Additionally, we envision an enhanced partnership with the Education Services branch of DVA Benefits Services. A test program should be authorized for FY 06, 07 and 08 and funds allocated at the amount of not less than \$5,000,000. for each fiscal year.

**The VETS Program would:**

1. Authorize the Secretary of Veterans Affairs to provide funding for Offices of Veterans Affairs at institutions of higher learning.
2. Require that participating institutions, both PSE and training institutions, to have a minimum of 50 veterans, including dependents who are receiving VA education benefits under Chapters 30, 31, 32, 34 or 35, Title 35, U.S.C., and Chapters 1606 and 1607, Title 10.
3. Require that eligible institutions submit applications for funding to the Secretary of Veterans Affairs.
4. Require that Offices of Veterans Affairs provide services in veterans' certification, special education programs, including counseling, and training. Institutions may use funds to develop other support programs for veterans and their dependents.
5. Provide that to the degree that appropriations are made available, participating institutions be paid \$100 for each eligible veteran and other eligible individuals that these funds be used solely to support eligible veterans, veterans dependents and the Office of Veterans Affairs, to include staff development, at the PSE institution.
6. Require that the Secretary retain one percent or \$20,000, whichever is less, from available program funds for any fiscal year for the purpose of collecting information on exemplary veterans education programs.
7. Authorize the Secretary to retain not more than five percent, or \$250,000, whichever is less, of amounts available for the purpose of administering this program.

8. Require that institutions not be permitted to capture more than 1% of the grant funds for internal administrative purposes.
9. Authorize not less than \$5,000,000 for each fiscal years 2007, 2008 and 2009 with reauthorizations to be at the discretion of Congress

## **Veterans Support, Education and Training Program (VSET)**

Summary: The Veterans Service, Education and Training (VSET) program provides Federal financial assistance on a formula basis to all eligible institutions of higher education to provide certain services to veterans. (Authority 20 U.S.C. 1070e-1)

The Secretary, Veterans Affairs is responsible for administration of the VSET Federal Grant Program.

### **Availability of Awards:**

Awards made under VSET are available for expenditure by the institution office of veterans' affairs over a period not to exceed two academic years.

Minimum Award. The minimum award an institution may receive is \$1,000.00 subject to the availability of appropriations.

### **Award Amounts:**

In order to maintain an office of veterans' affairs, which has responsibility for veterans' enrollment certifications, outreach, recruitment, special education programs, training and support; eligible institutions will receive \$100 for each veteran and dependent certified for enrollment under chapters 31, 30, 32 and 34, Title 38, U.S.C., and Chapters 1606 and 1607, Title 10, U.S.C. Additionally, eligible institutions will receive a payment of \$50 for each undergraduate who has received an honorable discharge from military service but does not receive educational benefits under Chapters 31, 30, 32 or 34, Title 38 U.S.C., and Chapters 1606 and 1607, Title 10, U.S.C. A total award to any one institution may not exceed \$50,000.00.

The parent institution is authorized to count veterans attending any branch thereof in the overall computation of eligible veterans and other eligible persons served for the purposes of this award.

**Definitions:**

1. Support activities: Except as provided elsewhere a grantee may use VSET funds only for the following activities:
2. Maintaining an office of Veterans' Affairs, responsible for veterans' enrollment certifications, special educational programs, tutorial assistance, vocational assistance, training, and personal counseling of veterans. .

Carrying out programs designed to prepare educationally disadvantaged veterans for postsecondary education for which they are receiving benefits pursuant to Title 38 U.S.C. Chapters 31, 30, 32 and 34.

3. Carrying out active training programs (with special emphasis on service-connected disabled veterans, other disabled or handicapped veterans, incarcerated veterans and educationally disadvantaged veterans), and counseling activities (with special emphasis on the veteran-student services programs under Title 38 U.S.C.)
4. Carrying out an active tutorial assistance program for veterans.
5. Assisting in the readjustment, rehabilitation, personal counseling and employment needs of veterans.
6. Coordinating activities carried out under this part with the Veterans Administration's.
7. Carrying out the professional development of veterans certifying officials to the extent necessary to ensure officials maintain currency in VA Education Services program development and enhancements through participation in professional training sessions conducted by national associations or by the Department of Veterans Affairs.
8. After the institution has carried out the activities described in paragraphs (1) - (7) of this section, defraying instructional expenses in academically related programs such as office equipment support, outreach and recruitment.




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## **GI BILL AND FEDERAL FINANCIAL AID (FFA) Dilemma**

**ISSUE:** Title IV and the Higher Education Act (HEA) as amended provide for the Department of Education to administer the Federal Financial (FFA) program for students attending institutions of higher education. In the instructions contained in Title IV programs, the calculation for student financial assistance uses a Federal Methodology established by Congress. The Federal methodology is contained in Part F of the HEA.

**DISCUSSION:** According to the Department of Education, when determining eligibility for Title IV funds, a financial aid administrator must take into account all forms of assistance received by the student to help pay educational costs. The Montgomery GI Bill (MGIB) benefit is considered in the needs assessment as a resource and thus deducted from the total award or Cost of Attendance (COA) ~~dollar-for-dollar~~. Additionally, not considered in this formula is the initial \$1,200 pay reduction service members had withheld from their basic pay to enroll in the MGIB at the onset of their initial service tour. Nor is there any consideration to award credit for the months of military service, personal sacrifices, family separations, irregular duty hours and conditions or the protections and freedoms afforded this nation.

In WWII most "had to serve." Today we have an all-volunteer force; however, today's all volunteer force is comprised of an overwhelming one-sided population of low income, lower to middle class citizens who can ill afford to pursue the highest cost of education this nation has ever experienced. And, this cost is rising at an unprecedented rate, some as high as 25% or more for the 2003-2004 school year. While today's veterans do not necessarily have to serve, they have few career choices in today's society. They come out of service much better for having served, but with a disadvantage in the world of work. We believe we still owe veterans an affordable college education. For most that degree translates into a good job and financial security. We cannot say that this is happening and our research proves this out. In fact, recent legislation signed into law in the Jobs for Veterans Act attempts to correct this shortcoming. Several reports point to a need to bolster the opportunity for veterans; the Principi Report (Commission on Servicemembers and Veterans Transition Assistance), the NAVPA White Paper "The GI Bill: Return on Investment for the Veteran and the Nation 1999; Road Map for National Security: Imperative for Change; Report from the US Commission on National Security/21<sup>st</sup> Century, February 2001; the VA commissioned study The Klem Report, 2002; and LUMINA Foundation for Education, Unequal Opportunity, January 2002. These studies and many more point to access inequity or program inequity – The GI Bill program in general is discussed. We have a promised education program that attracts 95% of our recruits but of which only 38%-48% fully participate – we have a broken program.

**RECOMMENDATION:** As a first step and thanks to veterans, the US Congress is urged to sponsor and support legislation to eliminate the requirement to count VA educational entitlements for veterans (Ch 30, 32 and 1606) in the needs assessment formula when computing Federal Financial Aid for students.

January 2006




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### The Total Force MGIB" for the 21<sup>st</sup> Century.

**Issue:** The nation's active duty, National Guard and Reserve forces are operationally integrated under the Total Force policy. But educational benefits under the Montgomery GI Bill do not reflect the policy nor match benefits to service commitment. The benefit levels of the Montgomery GI Bill –Selected Reserve (MGIB-SR) for National Guard and Reservists have not kept pace with the increased benefits of the active duty MGIB, particularly the dramatic increases over the past few years. Recruitment and retention of citizen soldiers is becoming more difficult for a myriad of reasons including a lack of benefit equity to employer reluctance to retain members who are called for prolonged service. Legislation is needed to re-structure the MGIB under Title 38 and tier benefits to service rendered. If current benefit levels are maintained, a Total Force Montgomery GI Bill is expected to be cost neutral.

**Background:** Congress re-established the GI Bill in 1984. The Montgomery GI Bill (MGIB) was designed to stimulate recruitment and retention for the all-volunteer force and to help veterans readjust to the civilian world on completion of their service. Active duty MGIB educational benefits were codified in Title 38, ensuring a readjustment purpose. But the Selected Reserve MGIB program was codified in Title 10 – post-service benefits are not authorized. In the 1980s, Defense policy makers and Congress did not envision the routine use of Guard and Reserve forces for every operational mission, nor did many people perceive a need for a post-service readjustment benefit for Reserve participants.

The Reserve MGIB worked well for the first 15 years of the MGIB's existence. Slippage of Reserve MGIB benefit levels and the recognition that there was no readjustment element to the program began to occur at the time that large and sustained call-ups of the Guard and Reserve began following the September 11, 2001 terrorists attacks. Congress attempted to respond to this benefit gap by authorizing a second Reserve Title 10 MGIB program for reservists who were mobilized for more than 90 days for a contingency operation. But the complexity of the "Chapter 1607" program, DoD funding challenges, and the difficulty of correlating it with both the original Reserve MGIB ("Chapter 1606") and the active duty program have delayed its implementation, perhaps indefinitely. Additionally, Chapter 1607 is not authorized following separation from the selected reserves.

The Partnership for Veterans' Education, a unique consortium of military, veterans and higher education associations, developed a concept of a Total Force MGIB follows:

(1) The National Guard and Reserve programs would be integrated with the active duty program under Title 38, U. S. C.

(2) Benefit rates would be structured as follows:

- Tier one -- similar to the current Montgomery GI Bill -- Active Duty 3-year rate -- would be provided to all who enlist in the active Armed Forces. Service entrants would receive 36 months of benefits at the Active Duty Rate.
- Tier two would be for non-prior service direct entry in the Selected Reserve for six years. Benefits would be proportional to the Active Duty Rate. Historically, Selected Reserve Benefits have been 47-48% of Active Duty benefits.
- Tier three would be for members of the Ready Reserve who are activated for at least 90 days. They would receive one month of benefit for each month of activation, up to a total of 36 months, at the Active Duty rate.

A service member would have up to 10 years to use the active duty or activated-service benefit from their last date of active/activated duty or reserve service, whichever is later. A Selected Reservist could use remaining Second Tier MGIB benefits as long as he/she were satisfactorily participating in the Selected Reserves, and for up to 10 years following separation from the reserves if the separation was for disability or qualification for a reserve retirement at age 60.

**Recommendation:** NAVPA supports the Total Force MGIB Concept as presented herein.






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## ELIMINATION OF THE MONTGOMERY GI BILL DELIMITING DATE

**ISSUE:** Veterans under Chapter 30 (Active Duty) of the Montgomery GI Bill (MGIB) currently have a "Delimiting Date" of 10 years following separation from active military service. This means that the veteran must use or lose their entitlement by this delimiting date thereby impeding life-long-learning and professional development concepts.

**DISCUSSION:** Many veterans separate from military service unprepared to pursue a degree or training leading to employment at the time of separation. In the demands of the American society world-of-work today, education and training have become life-long learning issues. The GI Bill for many veterans is the only avenue they see to obtaining a quality education or training program. The "delimiting, or expiration date" is a barrier to their goals. Studies such as the Goodrich report, the VA Commissioned Klem report and Atwell paper substantiate this fact. Veterans, for a myriad of reasons from family needs to financial issues are not all equally prepared to pursue a college degree or training within the current 10-year allowable time. Many veterans who have families when they separate from military service must first find a secure and safe environment for their families. This is their primary need at the time of separation from active military service, they are not thinking of pursuing an educational goal at that time. The social implications are, to many, overwhelming and their immediate needs over come the desire to pursue a college degree or upgraded employment credentials. Others who do earn a degree or obtain some training and who have limited entitlement remaining often find themselves with a need to upgrade their professional skills for advancement in their fields. They find them selves without entitlement because their remaining entitlement has expired under this "delimiting date" statute. The 10-year delimiting date bars many veterans from taking full advantage of their earned entitlement.

**RECOMMENDATION:** (1) That the MGIB Chapter 30 delimiting date be eliminated. The demands of the world-of-work and other issues of life-long learning dictate that this earned entitlement should be provided to veterans without the limitation of an expiration date. (2) At a minimum, Congress should consider extending the delimiting date to the end of a term for those veteran students who, while enrolled in a standard college term, reach their delimiting date. MGIB benefits should be extended to the end of the enrollment period (term) to allow veteran students to complete that term without requiring additional financial assistance.

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### INCREASE REPORTING FEES TO IHLS

**ISSUE:** Prior to 1976 the Department of Veterans Affairs (VA) employed and assigned staff at or near Institutions of Higher Learning (IHL) to report enrollments of veterans and their dependents who accessed their VA educational entitlements (GI Bill). The VA was removed from colleges and universities in 1976 as a cost saving initiative. Beginning in 1976, colleges and universities, (IHLs), have been "compensated" for certifying enrollment status of veteran students to the VA. The rate of compensation was based on the number of students enrolled and in receipt of benefits. The rate was established at \$7.00 for each student. Only one program, the Vietnam-era GI Bill existed at that time.

**DISCUSSION:** The \$ 7.00 or \$11.00 per student fee was, for many years, paid inequitably based on a "snap-shot" of enrollments processed as of the 31<sup>st</sup> day of October each year. In 1997 NAVPA initiated a proposal to count all students who were receiving assistance during the calendar year. This is now the current method adopted by the VA.

The newer method has proven to be more equitable for colleges and universities; however, the amount of compensation paid to schools by the VA has not changed. This amount has remained static at \$7.00 per student, even though the cost of doing business has significantly increased and several new programs have been added to the work burden of the college VA certifying official. These programs include, Montgomery GI Bill-Active (Chapter 30), MGIB – Selected Reserve (Ch 1606), Veterans Educational Assistance Program (Chapter 32) Survivors' and Dependents' Educational Assistance Program (Chapter 35). Additionally, no compensation is paid to schools for the Vocational Rehabilitation program (Chapter 31), REPS or the Education Test Program (Chapter 901). And, there are no plans to include the new program enacted into law in 2003, the National Call to Service program although certifying officials will assume responsibility for enrollment certification of these veterans to the DVA.

The average cost of tuition in 1976 was \$68.00 per semester or \$136.00 per academic year. In relationship, schools were compensated at a rate of 9.5% of the cost of tuition per student. Today the average cost of tuition exceeds \$4,000 per academic year and the cost of maintaining a staff of program assistants to process VA enrollment certifications has increased proportionally. The IHL is severely under funded by the DVA to process the myriad of enrollment certifications on their behalf. Further, the IHL VA certifying official turnover is significant; an increase in reporting fees would allow schools to send their certifying officials to VA sanctioned new and advanced professional training and provide support for the office of veterans' affairs at the school.

**RECOMMENDATION:** That the Congress initiate legislation to increase of the annual reporting fee paid to IHLs to \$50.00 per student processed and that this amount be paid for all VA educational programs to include Vocational Rehabilitation, as well as any future VA programs that may require certifications such as Transferability and National Call to Service programs. Also, the use of these fees should be designated for such uses that support the office of veterans' affairs and for professional development of the school VA certification officials.

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## CONSOLIDATION OF EDUCATION CLAIMS PROCESSING

**ISSUE:** VA Education Services currently has 4 VA Regional Processing Offices (RPO) to receive and adjudicate VA educational claims from VA certifying officials responsible for the enrollment certification of veterans and their dependents who access their VA educational entitlements.

**DISCUSSION:** VA should consider returning to a one-center concept for all education claims processing. With the automated web based enrollment certification system in place there appears to be no need to have 4-RPOs. Prior to establishing the 4 RPOs, VA education claims for Chapter 30, Montgomery GI Bill (MGIB) were processed by one regional office, the then St. Louis Regional Processing Office. The reason for establishing a 4-RPO concept was to spread the tremendous workload of manually created paper files, caused by the volumes of enrollment certifications and changes thereto; however, that rationale has evaporated. VA education claims adjudication has advanced with technology to an electronic process.

Additionally, consolidation would (1) ensure standardization in the interpretation and application of laws and policy for all school certifying officials and (2) it would bring greater efficiency in electronic processing and (3) it would allow for the realignment of resources to more urgent needs within DVA. This bold move, if accepted by the VA would allow for efficiencies in services and resources for several VA programs, especially in processing the backlog in education, C&P and health related claims.

**RECOMMENDATION:** Recommend DVA seriously consider the consolidation of the VA Regional Processing Offices to an Electronic Education Claims Processing Center as an efficiency move. The location selected should be the most fiscally advantageous, for example, least turnover in staff and the most beneficial cost-of-living index to ensure staff longevity and consistency in policy. As an alternative, consolidating like programs at the current VARPOs could enhance processing and address the issue of one voice for each program. For example, Chapters 32, 34 and 30 could be processed at one site, Chapters 1606 and 1607 at another, Chapters 31 at another and Chapters 35 and the National Call To Service program at the remaining VARO.

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### DEVELOPMENT OF A WEB PORTAL

**ISSUE:** Veteran students do not now have an electronic means of accessing meaningful and useful information from the Department of Veterans Affairs on their MGIB benefits, usage and remaining entitlement from their VA records. While the VA has made significant improvements in the telephone answering system, veterans, when attempting to gain this information via telephone, often become frustrated and concerned because of delays in that system. Educational institutions are becoming overwhelmed with the volume of calls and limited ability to assist students in determining the status of their claims.

**DISCUSSION:** NAVPA has long held the belief that veterans should have easy access to their VA records via a web portal. All information relative to their VA educational benefit, applications, enrollment certifications and payments should be made available to them through this portal. Information should include at minimum information sent to the veteran via the US mails at the beginning of each academic year as contained in the "award letter". This information is the award period, monthly benefit, delimiting date, any benefit increases and level of training for the enrollment period. School certifying officials should have secure access to the portal for veteran students so that they may provide counseling and assistance when necessary. VA ONCE and WAVE have partially covered these issues; however, all information is still not available. Veterans should be able to view all pending issues to include receipt of documentation and current status, reason(s) for any delays in processing should be addressed on this WEB portal.

**RECOMMENDATION:** That the VA continue to aggressively pursue the development and implementation of a secure web portal for veteran students accessing their VA educational entitlements. We believe that the implementation of a secure web portal will enhance service to veterans and bring efficiencies to the DVA with a corresponding reduction in telephone service personnel at the Regional Processing Offices. The efficiencies in personnel utilization realized would benefit processing time. This concept should also make consolidation a more viable project.

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### MEASUREMENT OF PURSUIT

**ISSUE:** Department of Veterans Affairs 38 CFR 21.4135(s)(5) stipulates that an individual who enrolls in several subjects and reduces his or her rate of pursuit by completing one or more of them while continuing training in others, will have their educational assistance allowance reduced effective the date the subject or subjects were completed. Many institutions schedule mini sessions (4-7 weeks) within a standard semester (15-18 weeks) and require students to enroll full time, but the enrollment period is broken into two or more modules during the semester. This is often necessary to complete sequential courses, such as in nursing programs. Many students who access their Montgomery GI Bill (MGIB) entitlement are placed at a financial disadvantage because of this DVA policy. Not only are the veteran students monthly entitlement reduced, but financial aid is computed using all credits in which the student is enrolled for that term.

**DISCUSSION:** Students pursuing professional programs that require scheduling of non-standard terms/ modules during a regular semester/quarter are not able to select those terms that would allow full-time enrollment computation of their monthly entitlement; or, students who are required to enroll in such terms lose full time enrollment status and thereby full compensation of VA educational entitlement rates even though they complete the equivalent of full time enrollment over the course of the semester. This is in direct contrast to the computation of the Federal Financial Aid programs that combine all credits earned during a standard semester to determine the students' enrollment status and pay accordingly. Veteran students are disadvantaged in VA educational entitlement computation because of this inequitable VA process.

To illustrate this inequity, assume that a standard term is January 15 – May 15 and the student is enrolled at the college or university for 12 semester hours of credit in this term. Normally this enrollment would equate to full-time status for VA MGIB training purposes. However, when a student is enrolled in short duration or modular classes within that term the student's VA monthly compensation is diluted as follows: January 15 - March 15 the student is enrolled in 9 semester hours of credit. March 16 – May 15 the student is enrolled in 3 semester hours of credit. For FFA purposes the student is full time. For DVA rate computation the student is enrolled  $\frac{3}{4}$  time from January 15 – March 15, and then on March 16 is reduced/adjusted to  $\frac{1}{4}$  training time for the remainder of the term, even though the student will earn 12 semester hours of credit in the standard term. Normally, 12 semester hours is sufficient for full-time status/benefit.

**RECOMMENDATION:** That VA change the procedure to calculate training time based on the actual number of credit hours completed in a semester/quarter, regardless of the length of each class/module.

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## REPORTING PRIOR CREDIT

**ISSUE:** DVA requires schools to develop and report prior credit within two semesters of the initial enrollment of a student. DAV will suspend payment if the school does not report the amount of credit granted for prior education and training.

**DISCUSSION:** It is a statutory requirement that the educational institution must maintain a written record of a veteran's or eligible person's previous education and training. (Sec 3675 and 3676, Title 38, U.S.C). It is VA policy that the educational institution must report the granting of prior credit within two semesters. This is to ensure that proper credit has been granted, that the program has been reduced/shortened accordingly, and that improper payment does not occur. Sec 3471, Title 38, U.S.C., states VA may not approve an application for education assistance for a veteran or an eligible person if the individual is already qualified by reason of previous education or training. This procedure is counter-productive to good and efficient management of the veterans educational resources and can cause the veteran to become indebted to the VA and the school. Additionally, VA approved schools are fully accredited and follow conventional admissions practices thereby negating the need to follow this policy as written.

**RECOMMENDATION:** We recommend that VBA Education Services not require institutions to report prior credit, but rather continue to maintain a record of the veteran's or eligible person's previous education and training. Granting of Prior Credit is and should continue to be an audit item confirmed/verified during annual state supervisory visits and VA compliance surveys.

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### **ACCELERATED PAYMENT Missed The Mark**

**ISSUE:** Public Law 107-103 outlines the accelerated payment provisions for recipients of VA educational benefits under Chapter 30, (Montgomery GI Bill). While the concept of accelerated payments has been recognized by enactment of recent law, its implementation has missed the mark. Our concern has been that veterans could not pay for short-term, high cost programs, some of which are not delivered by academic institutions and do not fit familiar models of traditional course delivery.

**DISCUSSION:** For students wishing to seek training and employment in the high tech industry, as defined by the VA, a reimbursement of 60% of the tuition and fees will be paid when those costs exceed 200% of what would normally be paid under Chapter 30. Accelerated payment is only payable for approved courses offered by an institution that qualifies as an educational institution. Private business entities can apply to the State Approving Agency (SAA) for approval of a course, but they would have to meet the entire approval requirement of a Non-College Degree (NCD) course. Accelerated payment is a result of a NAVPA initiative to allow students to use their earned education benefit to pursue NCD, short term-high cost programs, such as technology programs; however, the implementation of the law missed its original intent.

**RECOMMENDATION:** We recommend that DVA take steps to correct the situation to allow veterans the opportunity to use their education benefit for certain "short term-high cost programs" and not limit payment only to high tech programs as currently defined by the VA. Additionally, this program should not apply to, nor was it intended for students enrolled in standard college programs where they could otherwise exhaust their entitlement (i.e. Benefit from the full 36 month entitlement or its equivalent in part-time training).

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### **NEED FOR TRAINING FOR SCHOOL CERTIFYING OFFICIALS**

**ISSUE:** Training of school officials has been a concern of NAVPA for several years. The VA Education Business Process Reengineering Community of Practice Task Force reported in April 2002 that training of Veteran Program Administrators and/or school Certifying Officials requires special attention.

**DISCUSSION:** The high turnover among school certifying officials coupled with the shift of emphasis into the electronic processes and developments in technology demand that training of school certifying officials receives a high priority. Tools and technical assistance should be developed and implemented to ensure that a training program is developed to train the new school certifying official. The NAVPA "Basic Training Workshop" conducted at the annual conference provides hands on training for school certifying officials and has become one of NAVPA's trademark services of the annual conference. NAVPA remains ready to continue this practice in partnership with DVA. The NAVPA *Handbook For School Certifying Officials*, updated annually, is presented to each training participant. While many school officials can attend the NAVPA conference, there are many more that cannot because of budgetary considerations. In the past annual training was conducted by VA Regional Office Education Liaison Representatives. Since this practice is no longer exists, a different approach to training should be addressed. Internet training already exists; however, many new school certifying officials either do not know about this training or need more individualized instruction on their new responsibilities.

**RECOMMENDATION:** That DVA develop and implement an aggressive, well-organized training plan that takes advantage of opportunities to train certifying officials at various locations throughout the United States. All the contemporary modes of training should be integrated into this plan. An increase in reporting fees paid to institutions of higher learning would help accomplish this need if fees are designated for the school office of veterans' affairs and a percentage or minimum amount allocated for annual professional training.

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### **VETERAN'S STUDENT WORK-STUDY ENHANCEMENT**

**ISSUE:** Currently veterans, guard and reservists are eligible to receive educational benefits under Chapters 31, 30, 32 or 34, Title 38 U.S.C., and Chapters 1606 and 1607, Title 10, U.S.C., and often utilize their 36 months of educational benefit before they complete the college degree program which they are seeking; many have one or two terms remaining before completion of their degree program. Expiration of the educational benefit often caused a financial burden on many of those students in this category. Additionally, many of these same students were employed by the school under the VA work-study program and work-study eligibility is tied to the VA educational benefit.

**DISCUSSION:** Veterans have a 10-year delimiting date in which to use or lose their VA educational benefit, guard and reservists have 14 years. When the educational benefit is used-up, both the monthly GI Bill benefit and the work-study program expire even though many of these veterans still have time remaining on their 10-year "use or lose" window, the delimiting date. Although the wages paid are established at Federal or State minimum wage, the financial income loss for most students is significant, especially at the end of their academic program.

**RECOMMENDATION:** NAVPA recommends that veterans, guard and reservists who accessed their VA and DOD educational benefits under Chapters 31, 30, 32 or 34, Title 38 U.S.C., and Chapters 1606 and 1607, Title 10, U.S.C., be entitled to VA veteran student work-study benefits until they have completed the degree program in which they were enrolled utilizing one of the above cited benefits provided their delimiting date has not arrived.

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## **Congress Should Appropriate Money for Veterans' Care and Benefits when they Appropriate Money for War**

**ISSUE:** Congress does not appropriate funds for veterans' care when appropriating funds for the cost of war. Veterans' care and benefits historically fall short of meeting their immediate and long-term needs after serving their country.

**DISCUSSION:** The Veterans Administration's ability to serve veterans is directly related to Congress' willingness to appropriate adequate funding. Throughout American history, even after "popular" wars, veterans have had to struggle against a Government that has mostly sought to limit its financial liability. After every one of our countries war's, beginning with the American Revolution, veterans have had to fight for benefits.

On January 25, 1787, Daniel Shays, a Massachusetts farmer turned war hero, led a group of veterans as they tried to seize the Springfield Federal Arsenal. Three veterans died in what became known as the Shays' Rebellion, a rebellion against our government's broken promises, farm foreclosures and veterans in debtor's prison.

After the Civil War, veterans came home to communities that offered them unemployment and a lack of acceptance. The Government expected the soldiers to take care of themselves. In 1866, less than a year after Appomattox, Dr. Benjamin Stephenson formed a national soldiers' mutual benefit society called the Grand Army of the Republic. It took until 1890 for Congress to pass the Dependent Pension Act that gave a pension to any veteran who had served 90 days and could not earn a living.

After WWI there was the Bonus March in Washington D.C. Approximately 30,000 unemployed veterans and their families tried to get the government to pay their bonus. They were tear gassed and their camp burned by a 200 mounted cavalry with more than 300 infantry soldiers armed with bayonet mounted rifles, five tanks and a special machine-gun unit. These federal troops were lead by Gen. Douglas McArthur, Majors' Dwight Eisenhower and George Patton. The American press supported this gross spectacle of the rousting of veterans and their families.

After WWII, President Roosevelt proposed the most comprehensive G.I. Bill in history. However, Congress tried to force Roosevelt to remove certain parts of the bill – actions that would have narrowed the scope of the educational component. It wasn't until 1977 that women who served in WWII were recognized as veterans, far too late to give them access to the G.I. Bill

Korean War veterans received a less generous G.I. Bill. Also, during the 1950's the military secretly gave powerful hallucinogens, such as LSD, to soldiers without telling them. Between 1945 and 1963, 250,000 soldiers were exposed to radiation from nuclear tests. Not until May of 1988 did the President sign legislation to begin compensation for the veterans suffering from cancer as a result of these tests.

After Vietnam, the GI Bill, VA Health Care and the Veterans Cost of Instruction Program (VCIP) were all under-funded. President Nixon vetoed a VA health care bill and cut vocational rehabilitation funds. It took the Government 15 years to recognize the Agent Orange issue and begin treatment and compensation.

Operation Desert Storm brought a whole new host of issues to the table including how we will deal with, budget for, and more importantly, treat those with "Gulf War Syndrome". As of Friday, January 14, 2005, 10,372 U.S. soldiers have been wounded during Operation Iraqi Freedom, 5,396 badly enough that they could not return to duty. There have been more amputations than any other war. To date, approximately 30,000, or 20%, of Iraq and Afghanistan veterans have filed VA service-connected claims. Forty percent of our Guard/Reserves have "boots on the ground" in Iraq. So far, 160,000 of them have become eligible for VA Benefits, diluted as the benefits may be. President Bush's 2005 VA budget calls for cutting VA staff who process these claims.

**CONCLUSION:** Our Government always finds the funding to engage in war. However, history indicates that the Government's unstated mission is to limit the liability for the wages of war - The bottom line is money. To solve this problem our Government must factor into the cost of war, the continuing cost of war, which is the care of our veterans.

**RECOMMENDATION:** Legislation must be passed that requires the President and Congress to appropriate money for veterans' care and benefits as part of their appropriation of money for war. ***If we cannot afford to keep our promise to care for those who serve our country, we cannot afford to go to war.***

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## TIE MILITARY SEPARATION PHYSICALS TO VA COMPENSATION PHYSICALS

**ISSUE:** Many veterans who have service connected disabilities must apply for VA compensation after separation from the military service thereby delaying their ability to apply for VA vocational rehabilitation education benefits by 6 – 9 months or more; some have waited up to 3 years to start their vocational a rehabilitation program. Although the service member may receive a separation physical from the military service, the physical is not mandatory. Separated service members must also complete a VA compensation physical in order to qualify for post service compensation based on service-connected disabilities.

**DISCUSSION:** While many veterans are eligible for vocational rehabilitation educational benefits, delayed scheduling of the DVA required compensation physical causes a delayed eligibility for receipt of VA Chapter 31, vocational rehabilitation benefits, and a subsequent delay in achieving educational goals; in some cases, veterans shy away from pursuing their educational goals altogether because of becoming frustrated by this seemingly bureaucratic process. While many of these veterans are eligible for Chapter 30 MGIB benefits, their special needs and accommodations are not addressed in the Chapter 30 provisions, nor are they given the battery of interest, aptitude and abilities tests required by the Chapter 31 program. The eligible disabled veterans are not afforded proper counseling in employment assistance essential to placement following education/training under this chapter. This delay of receipt of benefits can be overcome in many cases by tying separation physicals to the VA compensation physicals. This procedure has been successfully tested both at Tacoma VAMC in Tacoma, Washington and in New Jersey. Although the test was successful, the DOD does not require all separating members to undergo a physical. Therefore, those separating service members who opted for an expedited separation (no physical) but who later decide to apply for compensation based on a service connected disability are draining both the DOD and VA resources in records recovery and the necessary VA compensation physical.

**RECOMMENDATION:** Recommend that (1) DOD require all separating members to undergo a separation physical; (2) that DOD and DVA seek a partnership with a view toward making separation/compensation physical an efficient one-stop process. Dollars saved could be reassigned to more needy programs within the DVA and DOD and, veterans education and employment needs would be much better served.

January 2006

**Statement of Keith M. Wilson  
Director, Education Service  
Veterans Benefits Administration  
U.S. Department Of Veterans Affairs**

**Before the  
Committee on Veterans' Affairs  
Subcommittee on Economic Opportunity  
U.S. House of Representatives**

**Field Hearing  
National Guard Armory, Rogers, AR  
March 22, 2006**

Good morning Mr. Chairman, Ranking Member Herseth, and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss VA's education benefit programs and the Administration's views on the Total Force GI Bill concept. My testimony will highlight workload, payment, and usage trends for the educational assistance programs under the Montgomery GI Bill (MGIB) and the Reserve Educational Assistance Program (REAP). I will also discuss administrative processes and automation tools that support these programs.

The Montgomery GI Bill – Active Duty (Chapter 30) and the Montgomery GI Bill – Selected Reserve (Chapter 1606) provide veterans, servicemembers, and members of the Selected Reserve with educational assistance, generally in the form of monthly benefits, to assist them in reaching their educational or vocational goals. The Reserve Educational Assistance Program (Chapter 1607) provides an enhanced benefit for reservists and those in the National Guard who are activated for more than 90 days due to an emergency or contingency as defined by the President or Congress. The Chapter 30 program assists in the readjustment to civilian life and, together with the other mentioned programs, supports the armed services' recruitment and retention efforts, and enhances the Nation's competitiveness through the development of a more highly educated and productive workforce.

**Workload, Payment, and Usage Trends**

The education claims processing workload for Chapters 30 and 1606 combined has increased over the past five years. From FY 2001 to FY 2005, the number of claims completed increased by 28 percent to 1.1 million, the number of students using the benefits rose by 16 percent to 423.5 thousand, and the total payments for the year increased by 87 percent to \$2.1 billion from FY 2001 to FY 2005.

The overall usage for Chapter 30 grew from 57.9 percent in FY 2001 to 65.5 percent in FY 2005. The MGIB usage rate is derived by dividing the number of veterans who have received MGIB benefits by the number of all veterans who participated in MGIB and separated from active military service. The usage rate includes those veterans who are still within their 10-year eligibility period but have not yet applied for education benefits. We expect these trends will continue in FY 2006 and FY 2007.

Factors contributing to the increased workload in Chapter 30 and Chapter 1606 include higher benefit rates and enhanced outreach. Education benefit payments have increased due to legislative adjustments. For example, the monthly MGIB – Active Duty rate for full-time training has risen from \$650 in 2001 to \$1,034 today. Rate increases provide added incentive for beneficiaries to pursue an education program. Additionally, increases based on the Consumer Price Index have helped maintain the purchasing power of the educational assistance.

VBA continues to expand its outreach activities for military servicemembers. In 2005, VBA conducted over 8,000 transition assistance briefings with an audience of nearly 326,000 attendees. Each quarter, Education Service receives a listing of all servicemembers who have reached 12 months of service, 24 months of service, and those who are within 6 months of a planned separation. We send a letter and a targeted pamphlet to each group of servicemembers to enhance awareness and understanding of their education benefits. Each quarterly listing contains 90 to 100 thousand servicemembers.

In response to our Nation's increased reliance on members of the National Guard and Reservists in the Global War on Terror, we have distributed 55,000 copies of our new Chapter 1607 brochure to State National Guards so they may, in turn, distribute them to returning Guard and Reserve units. We are also currently working with the Department of Defense (DoD) to send over 384,000 Chapter 1607 brochures directly to the Reserve and National Guard members' home of record.

We are pleased to inform the Chairman and members of the Subcommittee that VA began making payments under Chapter 1607 in December 2005. By the end of FY 2006, VA expects to pay about 40,000 individuals, 13,000 of whom are expected to be new benefit claimants. As of March 6, 2006, we have processed 1,483 claims.

### **Resources**

While staffing has increased in the past fiscal year across the four Education Regional Processing Offices, we have not yet realized the full productivity impact of these additional resources. Formal training for new employees is 20 weeks in length. Although a new employee is considered productive at the completion of training, the employee does not produce at the same level as a journeyman claims examiner. It normally takes 2 years for a new hire to reach journeyman status and be considered fully productive. Targeted training for all employees is conducted when new legislation affecting education benefits is passed, or in response to error trends found on quality reviews. In addition, each office conducts monthly refresher training with their employees.

### **Automation Highlights**

We continue our effort to migrate all claims processing work from the legacy claims processing system into the new corporate environment. The Education Expert System (TEES) initiative is a multi-year initiative that, when fully deployed, will result in the implementation of a claims processing system designed to receive application and enrollment information and process that information electronically. This system will dramatically improve the timeliness and quality of education claims processing.

Meanwhile, the development and use of Internet applications have provided functional support to claims processing and customer service activities. These tools have helped to improve performance and reduce the waiting time for many claims. Web Automated Verification of Enrollment (WAVE) has been fully operational since July 2001. It allows MGIB beneficiaries to verify their continued enrollment each month over the Internet, instead of mailing the verification form to VA. By eliminating mail time, veterans receive their monthly benefits more quickly than in the past.

In addition, VA-ONCE, an application that allows school certifying officials to transmit enrollment data electronically to VA, has been in use since FY 2003 and has been well received. In FY 2005, approximately 88 percent of all enrollment data was received electronically.

### **Total Force GI Bill Concept**

Mr. Chairman, the Veterans' Advisory Committee on Education recently made a recommendation to consolidate the MGIB and REAP education benefit programs into one Total Force GI Bill program. VA found this recommendation merited serious further consideration. Accordingly, the VA Deputy Secretary established a workgroup to further analyze the feasibility of such a consolidation. The workgroup, which consists of representatives both from VA and DoD, has met each month since October 2005.

The Total Force GI Bill workgroup is analyzing the many complex issues associated with the transition to a consolidated program for the total military force. Establishing a consolidated Total Force GI Bill obviously would require significant changes to the current system, and new legislation. The benefits of a consolidated GI Bill program need to be weighed against the potential impact on individual beneficiaries, entitlement levels, military recruitment and retention and funding.

The transition to a Total Force GI Bill would require reconciliation of all the current program eligibility and entitlement requirements. As an example, active duty members eligible to receive benefits under Chapter 30 are required, upon electing the



benefit, to make a \$1,200 contribution to the program through pay reductions. Reservists eligible to receive benefits under Chapters 1606 or 1607 are not required to make such a contribution. The workgroup will need to analyze and prepare a recommendation as to whether the \$1,200 contribution should be eliminated, required for some, modified up or down, or required for all under the Total Force concept.

The workgroup deliberations must be sensitive to the potential impact of a consolidation on particular categories of beneficiaries. For example, a feature unique to the Chapter 30 MGIB is its provision for a veteran eligible for Veterans' Educational Assistance benefits (Chapter 34) at the time of establishing Chapter 30 eligibility to receive half of the Chapter 34 benefit rate, including additional allowances for dependents, in addition to the Chapter 30 rate based on his/her training time. The workgroup must consider the benefit package currently afforded the 17 thousand veterans who fit this category when formulating its Total Force GI Bill program recommendations.

Another issue involves months of entitlement. Currently, a student who is eligible to receive educational assistance benefits under more than one program may receive up to 48 months of entitlement. The workgroup will need to determine how many months of entitlement a student will be eligible for under a consolidated program and whether those students who were previously eligible for only 36 months of entitlement under one benefit program will continue to be entitled to that amount or receive any additional months of entitlement. A new methodology for determining how many months of entitlement a student is eligible for based on commitment and/or participation levels may need to be established.

The workgroup is currently reviewing the possible impact of the effective date of such legislation on military recruitment and retention. For example, will a bill that is enacted with an effective date one year in the future have a positive impact on military recruitment and retention? Both the active duty and reserve affairs components are considering this question.

Finally, the workgroup is considering the flexibility of a Total Force GI Bill concept. Originally tasked with analyzing how Chapters 30, 1606, and 1607 could be consolidated, the workgroup is considering whether other programs, such as National Call to Service and the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) (Chapter 32), may need to be phased in as well. The workgroup would like to ensure that any recommendations would continue to prove effective as VA moves toward more efficient procedures and streamlined programs in the future.

Once the workgroup has completed its task and its recommendations have been fully considered, we will be pleased to provide the Subcommittee our official views on this matter. We expect the workgroup to complete its tasks and submit its recommendations in June 2006.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or any of the other members of the Subcommittee may have.



Trends in Higher Education Series

2005

# Trends in College Pricing

 **CollegeBoard**  
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# Introduction

This report, based on the College Board's *Annual Survey of Colleges*, provides up-to-date information on tuition and other expenses associated with attending public and private nonprofit institutions of postsecondary education in the United States. The *Annual Survey* is distributed to more than 3,000 postsecondary institutions across the country, collecting a wealth of data on enrollment, admissions, degrees and majors, tuition, financial aid, and other aspects of undergraduate education.

Each fall the College Board releases the survey results on how much colleges and universities are charging undergraduate students in the new academic year. Simultaneously we release information from a counterpart survey conducted by the College Board, *Trends in Student Aid*.

Taken together, the companion reports, *Trends in College Pricing* and *Trends in Student Aid*, tell much about the financing of postsecondary educational opportunity in America. One provides the latest information on college charges. The other tracks the amount of financial assistance available to help pay these bills.

In 2004, the *Trends* reports were accompanied by a third publication, *Education Pays 2004: The Benefits of Higher Education for Individuals and Society*. This year we are issuing a brief supplement to that report providing additional information on the economic and social benefits of higher education. We also continue to focus on the distribution of these benefits by examining both the progress and the persistent gaps in participation in postsecondary education.

We have modified the format of the *Trends* reports this year to include explanation and commentary with each of the graphs and charts. We hope that this addition will make the reports easier to understand and more useful to readers. The basic content of the reports has not changed, but we have removed some of the more detailed tables and posted them in Excel format on our Web site ([www.collegeboard.com/trends](http://www.collegeboard.com/trends)). Both PDF copies of the publications and PowerPoint files containing individual slides for all of the tables and graphs are also on the Web site. Please feel free to use these slides with proper attribution.

## Scope of the Report

This edition of *Trends in College Pricing* presents detailed data on two-year and four-year public and four-year private nonprofit institutions for the 2005-06 academic year. Similar information about the growing for-profit sector of postsecondary education, which enrolls almost 5 percent of all undergraduate students, is not available.

The information on prices contained in this report provides a reliable and up-to-date overview of the tuition, fees, room and board, and other expenses associated with college enrollment in the United States. The meaning of the numbers contained in *Trends* can be more accurately interpreted with some basic background about the increasingly complex world of college prices and enrollment patterns.

### Published Prices Versus Net Prices

Most of the graphs and charts in *Trends in College Pricing* focus on published prices for full-time undergraduates. However, 62 percent of undergraduates enrolled full-time receive grant aid from the federal or state government and/or from the institutions in which they are enrolled. Many also receive grants from private sources, including assistance from their employers, and millions of students and families take advantage of federal tax credits and deductions

for higher education. All of these sources of student aid reduce the price that students actually pay for college. As Figures 8 and 9 make clear, the net prices of college are, on average, significantly lower than the published prices highlighted in Table 1 and detailed throughout this report.

While net price is the best measure of affordability, many students do pay the published prices and many more students and their parents believe they will have to pay the published prices because they are unaware of the sources and quantities of student aid available. Moreover, the average net price conceals the impact of changes in the distribution of grants and other subsidies to students.

Within institutions, students with different financial resources, family composition, academic qualifications, or other characteristics may pay different net prices. In addition, similar students are eligible for very different amounts of grant aid at different institutions.

### Enrollment Patterns

The tuition, fees, and other charges reported in *Trends* apply to full-time undergraduate students. As Figure 11 indicates, over 40 percent of all undergraduates and almost two-thirds of those attending public two-year colleges are enrolled part-time. Because of the variety of enrollment and pricing patterns prevailing, it is not possible to provide estimates of the charges facing these students that would be as accurate as the information we provide about full-time students. Data on full-time charges provide the best basis for comparison both over time and across sectors. Even these figures are, however, becoming increasingly difficult to pin down precisely. A number of institutions in both the public and private sectors have recently instituted policies guaranteeing students that their tuition price will remain constant throughout four years of study. This approach usually involves a significant increase in first-year tuition when the policy is implemented but not a comparable increase in the price of four years of study. As is the case for institutions that charge different prices for different fields of study, the prices included in the averages reported in *Trends* represent average prices for all full-time undergraduate students.

Another important aspect of estimating the price of a college education is that many students take longer than two years to earn an associate degree or longer than four years to earn a bachelor's degree. An accurate comparison of the price of one institution or type of institution to another involves incorporating the expected time to degree in addition to the annual price of attendance. The prices we report are prices for one academic year.

### Tuition and Fees Versus Total Charges

Some of the graphs and tables in the report focus only on tuition and fee charges, but we also report room and board charges for residential students, living costs for commuter students, and other components of student budgets. Because tuition and fees are set by either institutions or state government bodies and are relevant for all enrolled students, they are the best overall indicator of the price of college. However, whether they live on or off campus, all students must also pay for housing and food, buy books and supplies, and cover transportation and other basic living costs. While some students are able to live with family and not all of these costs for all students are incremental costs attributable to attending school, they pose a significant hurdle to many students. A realistic understanding of college affordability requires focusing on all of the expenses faced by college students. It is also important to remember that for many

students, the largest component of the cost of being a student is actually foregone earnings, which are not addressed in this report.

While the information reported here provides a best approximation of trends in college charges over time, we would caution readers about placing too much reliance on either precise dollar amounts or precise annual percentage changes. Each year we revise the average prices calculated the previous year to account for corrected data we receive from institutions and to assure that this year's average is compared to the average last year for exactly the same set of schools. Details relating to this methodology and to other technical issues and data reliability can be found at the end of the report, in the Notes and Sources section

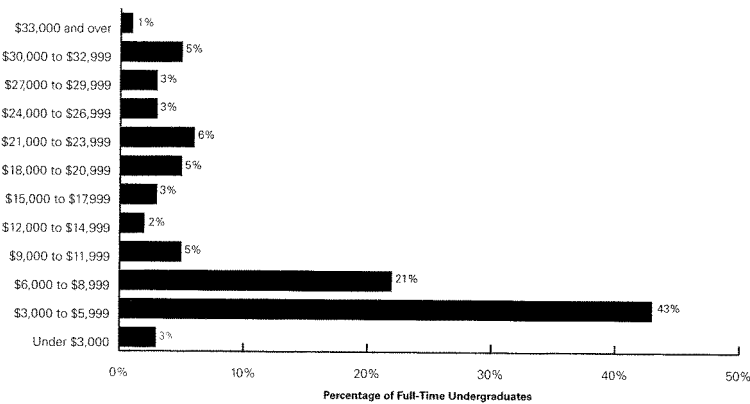
We welcome reader comments and suggestions on these *Trends* reports. Visit the College Board on the Web at [www.collegeboard.com/trends](http://www.collegeboard.com/trends) for an electronic version of this document and its counterpart, *Trends in Student Aid 2005*.

Acknowledgments

This report was authored by College Board Senior Policy Analyst Sandy Baum and consultant Kathleen Payea with the able assistance of research consultant Patricia Steele. Susan McCrackin and Joel Goldman of the College Board's College and University Enrollment Solutions Division and consultant David Brodigan of Williams College analyzed the *Annual Survey of Colleges* data for *Trends*.

The report would not have been possible without the cooperation and work of the following individuals at the College Board: Stan Bernstein, Catherine Serico, and the *Annual Survey of Colleges* staff in Guidance Publishing; Tom Rudin, Sally Mitchell, and Micah Haskell-Hoehl in the Washington Office of the College Board; Kathleen Little of the College and University Enrollment Solutions Division; Jeff Hale of the Office of Grants Planning and Management; Erin Thomas, Caitlin McClure, and the staff of the Creative Services Division; and Sandra Riley of the Public Affairs Division.

**Figure 1:** Distribution of Full-Time Undergraduates at Four-Year Institutions by Published Tuition and Fee Charges, 2005-06



Source: *Annual Survey of Colleges*, The College Board, New York, NY

- Forty-six percent of the full-time undergraduates in public or private four-year colleges and universities are enrolled in institutions with published tuition and fee charges of less than \$6,000.
- About 12 percent of full-time undergraduates at four-year institutions are enrolled in institutions with published prices of \$24,000 or higher.

## Executive Summary

Published tuition and fee levels are an important but imperfect indicator of the price of a college education. The institutional charges reported here must be combined with information on student aid, family income levels, college enrollment and graduation patterns, and college and university finances to compose a complete picture of the past and present state of higher education affordability. This report provides data related to each of these areas. Much more information about student aid is reported in the companion publication, *Trends in Student Aid*.

### Tuition, Fees, Room and Board

*The increases in tuition and fees at public two-year and four-year institutions were significantly smaller in 2005-06 than in the preceding two years.*

The figures cited here apply to full-time students. The averages are weighted by enrollment so that the prices of large schools are weighted more heavily than the prices of smaller institutions. For public colleges and universities, only in-state tuition and fee charges are included.

- Average total tuition and fees at four-year public colleges and universities in 2005-06 are \$5,491, \$365 (7.1 percent) higher than they were in 2004-05. Average total charges, including tuition, fees, room and board, are \$12,127.
- Average total tuition and fees at two-year public colleges in 2005-06 are \$2,191, \$112 (5.4 percent) higher than in the previous academic year.
- Average total tuition and fees at four-year private colleges and universities in 2005-06 are \$21,235, \$1,190 (5.9 percent) higher than they were in 2004-05. Average total charges, including tuition, fees, room and board are \$29,026.

### Tuition and Fee Trends

*Tuition and fees have risen more rapidly at public four-year colleges and universities in recent years than at either public two-year colleges or private four-year colleges and universities.*

- In the private sector, the most rapid increases in published tuition and fee levels occurred during the 1980s.
- At public four-year institutions, there were relatively large increases in the early 1980s and again in the early 1990s. The rate of increase has, however, been higher in the early 2000s than in the preceding decades.

### Variation in Tuition and Fee Levels

*Average charges do not describe the circumstances of most college students. In addition to the fact that, as described below, many students pay less than the published price, there is considerable variation across institutions, even within sectors.*

- Average tuition and fee levels differ significantly by state and by region.
- There is a wide range in both the dollar and the percentage increases in tuition and fees among institutions in all sectors.

### What Students Actually Pay

*Grant aid and tuition tax credits and deductions reduce the average price that students and families actually pay for college.*

- On average, full-time students receive about \$9,600 of aid in the form of grants and tax benefits in private four-year institutions, \$3,300 in public four-year institutions, and \$1,800 in public two-year colleges. While net price declined or rose very slightly in inflation-adjusted dollars in the first half of the decade from 1995-96 to 2005-06, it has grown more rapidly in the second half of that 10-year period.
- While in each sector, lower-income students receive significantly more grant aid than higher-income students, recent changes in student aid policies have favored those in the upper half of the income distribution. See *Trends in Student Aid* for more details about changing student aid patterns.

### Enrollment Patterns

*Only a fraction of undergraduates fit the traditional model of students between the ages of 18 and 24 enrolled full-time in college classrooms.*

- Almost 40 percent of undergraduates are over age 24.
- About 40 percent of undergraduate students are enrolled part-time.

### Institutional Finances

*Reductions in revenue from sources other than tuition, particularly state and local appropriations in the public sector, are associated with rapidly rising tuition levels in recent years.*

- The prices of many of the goods and services purchased by colleges and universities have risen rapidly in recent years. These include health benefits and utilities.
- Many other forces not analyzed in this report also contribute to rising college prices.

# 2005-06 Increases in Tuition, Fees, Room and Board

**Table 1:** Average Published Charges for Undergraduates, 2005-06 (Enrollment-Weighted)

Sector	Tuition and Fees				Room and Board				Total Charges			
	2005-06	2004-05	\$ Change	% Change	2005-06	2004-05	\$ Change	% Change	2005-06	2004-05	\$ Change	% Change
Two-Year Public	\$2,191	\$2,079	\$112	5.4%								
Four-Year Public	\$5,491	\$5,126	\$365	7.1%	\$6,636	\$6,250	\$386	6.2%	\$12,127	\$11,376	\$751	6.6%
Four-Year Private	\$21,235	\$20,045	\$1,190	5.9%	\$7,791	\$7,420	\$371	5.0%	\$29,026	\$27,465	\$1,561	5.7%

\* Sample too small to provide meaningful information  
**Note:** Four-year public tuition and fee levels are based on in-state charges only. Prices reported here for 2004-05 have been revised and may not match exactly those reported in *Trends in College Pricing 2004*  
**Source:** Annual Survey of Colleges, The College Board, New York, NY  
*Enrollment-weighted tuition and fees are derived by weighting the price charged by each institution by the number of full-time students enrolled. Room and board charges are weighted by the number of students residing on campus*

Average published tuition and fees in 2005-06 are \$5,491 at public four-year colleges and universities, \$2,191 at public two-year colleges, and \$21,235 at private nonprofit four-year colleges and universities

- The \$365 increase in tuition and fees at public four-year institutions raises the published price 7.1 percent above the 2004-05 level.
- The \$112 increase in tuition and fees at public two-year institutions raises the published price 5.4 percent above the 2004-05 level
- The \$1,190 increase in tuition and fees at private four-year institutions raises the published price 5.9 percent above the 2004-05 level
- The 5.9 percent increase in tuition and fees at private four-year institutions is similar to last year's increase, but the rate of growth in public sector charges has slowed considerably
- The 7 percent increase in published tuition and fees at public four-year colleges follows increases of 9 percent in 2002-03, 13 percent in 2003-04, and 10 percent in 2004-05.
- Average tuition and fees for full-time students enrolled in public two-year colleges rose by 14 percent in 2003-04, 9 percent in 2004-05, and 5 percent in 2005-06
- Room and board charges rose more slowly than tuition and fees. Total published charges rose 6.6 percent at public four-year colleges and universities and 5.7 percent at private four-year colleges and universities

*Also important*

- Almost 5 percent of full-time undergraduates are enrolled in for-profit institutions. In 2003-04, these students paid an average of about \$10,600 in tuition and fees (National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 2004 Undergraduates, Data Analysis System (DAS), calculations by the authors)
- The published prices cited here are not representative of the amounts students actually pay. Sixty-two percent of undergraduate students enrolled full-time receive grants that reduce the actual price of college. Many students also receive tax credits, tax deductions, and subsidized loan and work assistance. See *Trends in Student Aid 2005* for details about student aid
- The amount of time it takes to earn a degree has a significant impact on the total price of college. Extra terms of enrollment add to the total tuition and fees paid. In addition, longer periods out of the labor force involve significant costs to students in terms of foregone earnings. Among students who earned bachelor's degrees in 1999-2000 who did not interrupt their schooling for longer than six months, the average time to degree was four years and nine months for public college graduates and four years and three months for private college graduates (NCES, 2003, *A Descriptive Summary of 1999-2000 Bachelor's Degree Recipients One Year Later with an Analysis of Time to Degree*, NCES 2003 165)

# Total Student Budgets

**Table 2:** Sample Average Undergraduate Budgets, 2005-06 (Enrollment-Weighted)

Sector	Tuition and Fees	Books and Supplies	Room and Board	Transportation	Other Expenses	Total**
<b>Two-Year Public</b>						
Resident	\$2,191	\$801	-	-	-	-
Commuter	\$2,191	\$801	\$5,909	\$1,175	\$1,616	\$11,692
<b>Four-Year Public</b>						
Resident	\$5,491	\$894	\$6,636	\$852	\$1,693	\$15,566
Commuter	\$5,491	\$894	\$6,476	\$1,168	\$1,962	\$15,991
Out-of-State	\$13,164	\$894	\$6,636	\$852	\$1,693	\$23,239
<b>Four-Year Private</b>						
Resident	\$21,235	\$904	\$7,791	\$691	\$1,295	\$31,916
Commuter	\$21,235	\$904	\$7,249	\$1,060	\$1,622	\$32,070

\* Sample too small to provide meaningful information.

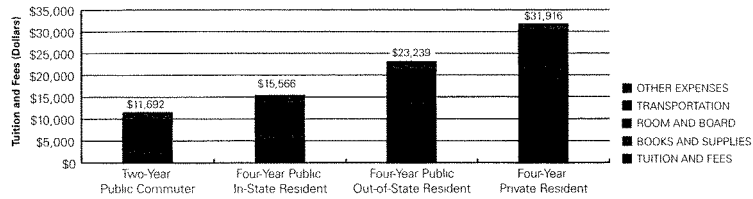
\*\* Average total expenses include room and board costs for commuter students, which are average estimated living expenses for students living off campus but not with parents. These are estimated average student expenses as reported by institutions in the *Annual Survey of Colleges*.

Note: Four-year public resident and commuter tuition and fee levels are based on in-state charges only.

Source: *Annual Survey of Colleges*, The College Board, New York, NY.

Enrollment-weighted tuition and fees are derived by weighting the price charged by each institution by the number of full-time students enrolled. Room and board charges are weighted by the number of students residing on campus.

**Figure 2:** Sample Average Undergraduate Budgets, 2005-06 (Enrollment-Weighted)



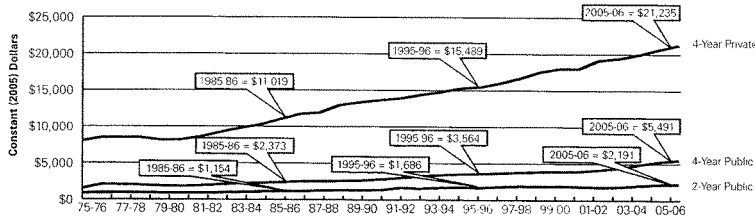
While tuition and fees constitute 67 percent of the total budget for students enrolled in four-year private colleges and universities, they constitute only 35 percent of the budget for residential students at public four-year institutions and 19 percent of the budget for two-year public college students commuting from off-campus housing

- On average, students enrolled in public institutions outside of their state of residence are charged \$7,673 dollars in tuition and fees above the in-state rate
- Additional charges for out-of-state students range from \$6,077 in the Middle States region, where in-state tuition is relatively high, to \$9,601 in the West, where in-state tuition is lower than the national average (See page 12 for a map of the College Board Regions)
- About a quarter of the freshmen enrolled in four-year public colleges are attending institutions outside their home states. (NCES, 2003, *Digest of Education Statistics*, Table 208)
- Most student aid funds, including Pell Grants, Stafford Loans, and campus-based aid, can be used to cover all education and related expenses, including books, supplies, transportation, and other living costs, in addition to tuition, fees, room and board. However, federal tax credits and deductions are limited to tuition and fees.



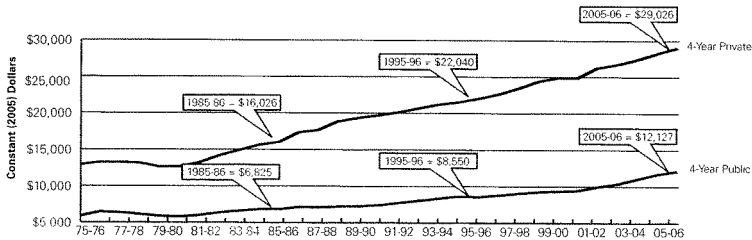
# Changes Over Time in Tuition, Fee, Room and Board Charges

**Figure 3:** Average Published Tuition and Fee Charges, in Constant (2005) Dollars, 1975-76 to 2005-06 (Enrollment-Weighted)



Source: Table 3 and data online (collegeboard.com/trends)

**Figure 4:** Average Published Tuition, Fee, Room and Board (TFRB) Charges at Four-Year Institutions, in Constant (2005) Dollars, 1975-76 to 2005-06 (Enrollment-Weighted)



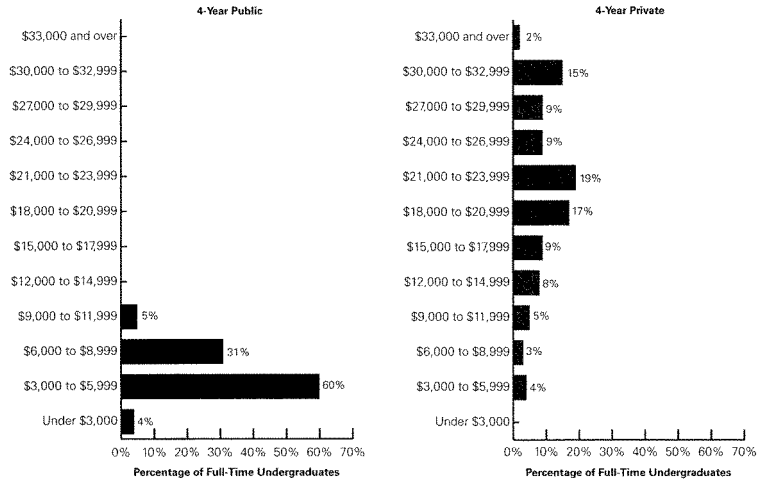
Source: Table 4 and data online (collegeboard.com/trends).

Public four-year prices have increased relative to prices in other sectors in recent years. However, the dollar gap between published tuition and fee charges in private and public four-year colleges has increased over time, as has the dollar gap between public four-year and two-year colleges.

- The dollar difference between average tuition and fees at public and private four-year colleges measured in constant 2005 dollars increased from \$11,925 in 1995-96 to \$15,744 in 2005-06. At the same time, the public sector average price rose from 23 to 26 percent of the private sector average price.
- When room and board are added in, total average charges at public colleges and universities equal 42 percent of the average charges at private institutions.
- The dollar difference between average tuition and fees at public four-year and two-year colleges measured in constant 2005 dollars increased from \$1,878 to \$3,330 between 1995-96 and 2005-06. A more rapid rate of growth increased the four-year published price from 2.1 to 2.5 times the two-year published price.

## Variation in Tuition and Fees

**Figure 5:** Distribution of Full-Time Undergraduates at Public and Private Four-Year Institutions by Published Tuition and Fee Charges, 2005-06



Source: Annual Survey of Colleges, The College Board, New York, NY.

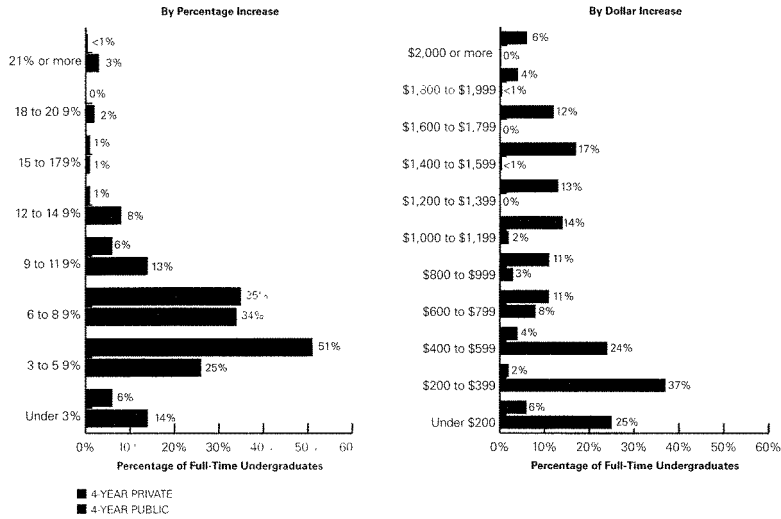
Figure 1 shows the distribution of full-time undergraduates at all four-year colleges and universities, by tuition and fees charged. These graphics divide this overall picture into separate distributions for public and private institutions.

Sixty percent of full-time students enrolled in public four-year colleges and universities attend institutions that charge published tuition and fee levels between \$3,000 and \$6,000. At private colleges, there is a much wider range of tuition and fee charges.

- Thirty-one percent of full-time students at public colleges and universities attend institutions that charge between \$6,000 and \$9,000. Four percent attend schools that charge less than \$3,000 and another 5 percent are enrolled in the small number of public institutions whose published tuition and fee levels exceed \$9,000.
- About 20 percent of full-time students at private colleges and universities attend institutions that charge less than \$15,000. Institutions with published tuition and fee levels of \$30,000 to \$33,000 enroll 15 percent of full-time private college undergraduates and 2 percent are enrolled at colleges and universities with higher charges.

# Variation in Tuition and Fee Increases

**Figure 6:** Distribution of Full-Time Undergraduates at Public and Private Four-Year Institutions by Percent and Dollar Increase in Published Tuition and Fees Charges, 2005-06



The average increases in tuition and fees reported in Table 1 conceal the considerable variation in published price increases within both the public and private sectors

- The institutions attended by half of all full-time private college students increased published tuition and fees by 3 to 6 percent between 2004-05 and 2005-06. However, 6 percent of these students are enrolled in institutions where prices rose less than 3 percent and 8 percent are enrolled in institutions where prices rose 9 percent or more.
- There was more variation in the percentage increases among public four-year colleges. Thirty-four percent of full-time four-year public college students are enrolled in institutions that increased published tuition and fee levels by 6 to 9 percent between 2004-05 and 2005-06. However, 14 percent of these students are enrolled in institutions where prices rose less than 3 percent and 6 percent are enrolled in institutions where prices rose 15 percent or more.
- Although the range of percentage increases in prices is narrower in the private sector, the range of dollar increases is wider. About half of the students in this sector are enrolled in institutions that increased published tuition and fee levels by less than \$1,200 between 2004-05 and 2005-06 and about half are enrolled in institutions that increased published tuition and fee levels by more than \$1,200. However, 12 percent attend colleges and universities that increased tuition and fees by less than \$600 and 10 percent attend institutions that increased published prices by \$1,800 or more.

# Tuition and Fee Levels Over Time

**Table 3a:** Average Published Tuition and Fee Charges, Five-Year Intervals, 1975-76 to 2005-06 (Enrollment-Weighted)

Academic Year	Tuition and Fees—Current Dollars						Tuition and Fees—Constant (2005) Dollars					
	Private Four-Year	5-yr % Chg	Public Four-Year	5-yr % Chg	Public Two-Year	5-yr % Chg	Private Four-Year	5-yr % Chg	Public Four-Year	5-yr % Chg	Public Two-Year	5-yr % Chg
75-76	\$2,272		\$433		\$245		\$8,026		\$1,530		\$865	
80-81	\$3,617	59%	\$804	86%	\$391	60%	\$8,180	2%	\$1,818	19%	\$884	2%
85-86	\$6,121	69%	\$1,318	64%	\$641	64%	\$11,019	35%	\$2,373	30%	\$1,154	31%
90-91	\$9,340	53%	\$1,908	45%	\$906	41%	\$13,663	24%	\$2,791	18%	\$1,325	15%
95-96	\$12,216	31%	\$2,811	47%	\$1,330	47%	\$15,480	13%	\$3,564	28%	\$1,686	27%
00-01	\$16,072	32%	\$3,508	25%	\$1,642	23%	\$17,982	16%	\$3,925	10%	\$1,837	9%
05-06	\$21,235	32%	\$5,491	57%	\$2,191	33%	\$21,235	18%	\$5,491	40%	\$2,191	19%

**Table 3b:** Average Annual Published Tuition and Fee Charges, 1995-96 to 2005-06 (Enrollment-Weighted)

Academic Year	Tuition and Fees—Current Dollars						Tuition and Fees—Constant (2005) Dollars					
	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Public Two-Year	Annual % Change	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Public Two-Year	Annual % Change
95-96	\$12,216		\$2,811		\$1,330		\$15,489		\$3,564		\$1,686	
96-97	\$12,994	6%	\$2,975	6%	\$1,465	10%	\$16,019	3%	\$3,668	3%	\$1,806	7%
97-98	\$13,785	6%	\$3,111	5%	\$1,567	7%	\$16,696	4%	\$3,768	3%	\$1,898	5%
98-99	\$14,709	7%	\$3,247	4%	\$1,554	-1%	\$17,527	5%	\$3,869	3%	\$1,852	-2%
99-00	\$15,518	6%	\$3,362	4%	\$1,649	6%	\$17,976	3%	\$3,594	1%	\$1,910	3%
00-01	\$16,072	4%	\$3,508	4%	\$1,642	0%	\$17,982	0%	\$3,925	1%	\$1,837	-4%
01-02	\$17,377	8%	\$3,766	7%	\$1,608	-2%	\$19,104	6%	\$4,140	5%	\$1,768	-4%
02-03	\$18,060	4%	\$4,098	9%	\$1,674	4%	\$19,428	2%	\$4,408	6%	\$1,801	2%
03-04	\$18,950	5%	\$4,645	13%	\$1,909	14%	\$19,949	3%	\$4,890	11%	\$2,010	12%
04-05	\$20,045	6%	\$5,126	10%	\$2,078	9%	\$20,649	4%	\$5,281	8%	\$2,141	7%
05-06	\$21,235	6%	\$5,491	7%	\$2,191	5%	\$21,235	3%	\$5,491	4%	\$2,191	2%

**Source:** 1987-88 to 2005-06, data from *Annual Survey of Colleges*, The College Board, New York, NY, weighted by full-time undergraduate enrollment, 1976-77 to 1986-87, data from Integrated Postsecondary Education Data System (IPEDS), NCES, weighted by full-time equivalent enrollment.

*Current dollar charges reflect each year's actual dollar prices. Constant dollar charges adjust these prices for inflation. Increases in constant dollar prices indicate increases beyond the average increase in consumer prices.*

The 40 percent increase in inflation-adjusted dollars in published tuition and fees at public four-year colleges and universities over the past five years has been very high, both by historical standards and relative to rates of increase in private and two-year public tuition and fee levels

- The 4 percent inflation-adjusted increase in average public four-year published tuition and fees is much smaller than the increases in 2003-04 and 2004-05. The same pattern of two or three years of high increases followed by a return to more typical tuition growth occurred in the early 1980s and in the early 1990s
- Over the past decade, tuition and fees at private four-year colleges have risen at an average rate of 5.7 percent—3.2 percent per year after inflation
- Over the past decade, tuition and fees at public four-year colleges have risen at an average rate of 6.9 percent—4.4 percent per year after inflation.
- Over the past decade, tuition and fees at public two-year colleges have risen at an average rate of 5.1 percent—2.7 percent per year after inflation

*Also important*

An increasing number of colleges and universities are abandoning the practice of setting one level of tuition and fees for all undergraduates. Some institutions guarantee that the first year's tuition price will be in effect through four years of undergraduate study. Many charge different prices depending on the student's field of study. These and other differential pricing strategies make it more difficult to measure average prices and price changes precisely



Trends in College Pricing 2005 Errata

Table 3b: Average Annual Published Tuition and Fee Charges, 1995-96 to 2005-06 (Enrollment-Weighted)

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Academic Year	Tuition and Fees—Current Dollars						Tuition and Fees—Constant (2005) Dollars					
	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Public Two-Year	Annual % Change	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Public Two-Year	Annual % Change
95-96	\$12,216		\$2,811		\$1,330		\$15,489		\$3,564		\$1,686	
96-97	\$12,994	6%	\$2,975	6%	\$1,465	10%	\$16,019	3%	\$3,668	3%	\$1,806	7%
97-98	\$13,785	6%	\$3,111	5%	\$1,567	7%	\$16,696	4%	\$3,768	3%	\$1,898	5%
98-99	\$14,709	7%	\$3,247	4%	\$1,554	-1%	\$17,527	5%	\$3,869	3%	\$1,852	-2%
99-00	\$15,518	6%	\$3,362	4%	\$1,649	6%	\$17,976	3%	\$3,894	1%	\$1,910	3%
00-01	\$16,072	4%	\$3,508	4%	\$1,642	0%	\$17,982	0%	\$3,925	1%	\$1,837	-4%
01-02	\$17,377	8%	\$3,766	7%	\$1,608	-2%	\$19,104	6%	\$4,140	5%	\$1,768	-4%
02-03	\$18,060	4%	\$4,098	9%	\$1,674	4%	\$19,428	2%	\$4,408	6%	\$1,801	2%
03-04	\$18,950	5%	\$4,645	13%	\$1,909	14%	\$19,949	3%	\$4,890	11%	\$2,010	12%
04-05	\$20,045	6%	\$5,126	10%	\$2,078	9%	\$20,485	3%	\$5,239	7%	\$2,124	6%
05-06	\$21,235	6%	\$5,491	7%	\$2,191	5%	\$21,235	4%	\$5,491	5%	\$2,191	3%

Table 4b: Average Annual Published Tuition, Fee, Room and Board Charges, 1995-96 to 2005-06 (Enrollment-Weighted)

ON PAGE 11

Academic Year	Total Charges—Current Dollars				Total Charges—Constant (2005) Dollars			
	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change
95-96	\$17,382		\$6,743		\$22,040		\$8,550	
96-97	\$18,357	6%	\$7,142	6%	\$22,630	3%	\$8,805	3%
97-98	\$19,360	5%	\$7,469	5%	\$23,449	4%	\$9,046	3%
98-99	\$20,463	6%	\$7,769	4%	\$24,384	4%	\$9,258	2%
99-00	\$21,475	5%	\$8,080	4%	\$24,876	2%	\$9,360	1%
00-01	\$22,240	4%	\$8,439	4%	\$24,883	0%	\$9,442	1%
01-02	\$23,856	7%	\$9,032	7%	\$26,227	5%	\$9,930	5%
02-03	\$24,867	4%	\$9,672	7%	\$26,750	2%	\$10,404	5%
03-04	\$26,057	5%	\$10,530	9%	\$27,430	3%	\$11,085	7%
04-05	\$27,465	5%	\$11,376	8%	\$28,069	2%	\$11,626	5%
05-06	\$29,026	6%	\$12,127	7%	\$29,026	3%	\$12,127	4%

Table B. Consumer Price Index (1982-84=100)

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Academic Year			Calendar Year		
Academic Year	CPI	Factor	Calendar Year	CPI	Factor
1995-96	154.5	1.2680	1995	152.4	1.2724
1996-97	158.9	1.2328	1996	156.9	1.2361
1997-98	161.7	1.2112	1997	160.5	1.2079
1998-99	164.4	1.1916	1998	162.9	1.1905
1999-00	169.1	1.1584	1999	166.4	1.1652
2000-01	175.1	1.1188	2000	172.2	1.1259
2001-02	178.2	1.0994	2001	177.1	1.0950
2002-03	182.1	1.0757	2002	179.9	1.0779
2003-04	186.1	1.0527	2003	184.0	1.0540
2004-05	191.7	1.0220	2004	188.9	1.0265
2005-06	195.9	1.0000	2005	193.9	1.0000

# Tuition, Fee, Room and Board Charges Over Time

**Table 4a:** Average Published Tuition, Fee, Room and Board (TFRB) Charges at Four-Year Institutions, Five-Year Intervals, 1975-76 to 2005-06 (Enrollment-Weighted)

Academic Year	Total Charges—Current Dollars				Total Charges—Constant (2005) Dollars			
	Private Four-Year	5-yr % Chg	Public Four-Year	5-yr % Chg	Private Four-Year	5-yr % Chg	Public Four-Year	5-yr % Chg
75-76	\$3,663		\$1,666		\$12,939		\$5,885	
80-81	\$5,594	53%	\$2,551	53%	\$12,651	-2%	\$5,769	-2%
85-86	\$8,902	59%	\$3,791	49%	\$16,026	27%	\$6,825	18%
90-91	\$13,476	51%	\$5,074	34%	\$19,713	23%	\$7,423	9%
95-96	\$17,382	29%	\$6,743	33%	\$22,040	12%	\$8,550	15%
00-01	\$22,240	28%	\$8,439	25%	\$24,883	13%	\$9,442	10%
05-06	\$29,026	31%	\$12,127	44%	\$29,026	17%	\$12,127	28%

**Table 4b:** Average Annual Published Tuition, Fee, Room and Board Charges, 1995-96 to 2005-06 (Enrollment-Weighted)

Academic Year	Total Charges—Current Dollars				Total Charges—Constant (2005) Dollars			
	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change
95-96	\$17,382		\$6,743		\$22,040		\$8,550	
96-97	\$18,357	6%	\$7,142	6%	\$22,630	3%	\$8,805	3%
97-98	\$19,360	5%	\$7,469	5%	\$23,449	4%	\$9,046	3%
98-99	\$20,463	6%	\$7,769	4%	\$24,384	4%	\$9,258	2%
99-00	\$21,475	5%	\$8,080	4%	\$24,876	2%	\$9,360	1%
00-01	\$22,240	4%	\$8,439	4%	\$24,883	0%	\$9,442	1%
01-02	\$23,856	7%	\$9,032	7%	\$26,227	5%	\$9,930	5%
02-03	\$24,867	4%	\$9,672	7%	\$26,750	2%	\$10,404	5%
03-04	\$26,057	5%	\$10,530	9%	\$27,430	3%	\$11,085	7%
04-05	\$27,485	5%	\$11,376	8%	\$28,294	3%	\$11,719	6%
05-06	\$29,026	6%	\$12,127	7%	\$29,026	3%	\$12,127	3%

Source: 1987-88 to 2005-06, data from *Annual Survey of Colleges*, The College Board, New York, NY, weighted by full-time undergraduate enrollment; 1976-77 to 1986-87: data from IPEDS, NCES, weighted by full-time equivalent enrollment.

Current dollar charges reflect each year's actual dollar prices. Constant dollar charges adjust these prices for inflation. Increases in constant dollar prices indicate increases beyond the average increase in consumer prices.

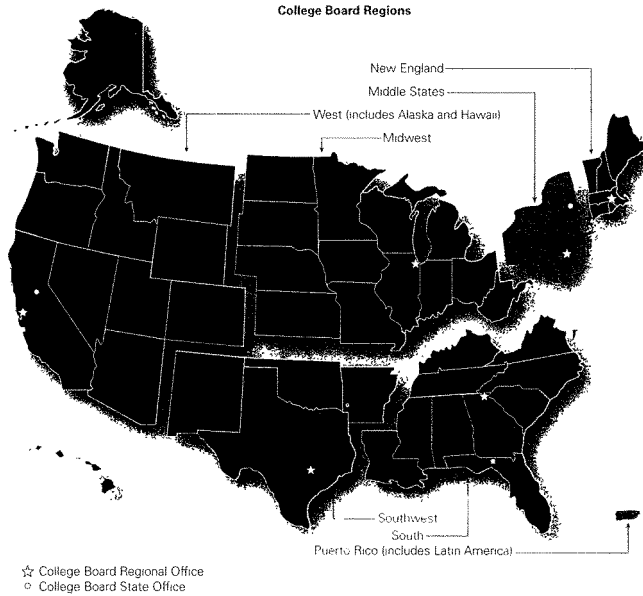
Total tuition, fee, room and board charges are more representative of the total price of a year of college than tuition and fees alone. Students who live off campus incur similar costs.

- Total published tuition, fees, room and board charges at public four-year colleges grew more rapidly between 2000-01 and 2005-06, after adjusting for inflation, than during any other five-year period since 1975.
- Total charges at private four-year colleges and universities grew more rapidly during the 1980s than they have since 2000-01.
- Over the past decade, total charges for full-time in-state residential students at public four-year colleges have risen at an average rate of 6.0 percent per year—3.6 percent per year after adjusting for inflation.
- Over the past decade, total charges for full-time residential students at private four-year colleges have risen at an average rate of 5.3 percent per year—2.8 percent per year after adjusting for inflation.

## Also important

- In addition to tuition, fees, room and board, students' full cost of attendance includes the books, supplies, transportation, and other living expenses included in the student budgets reported in Table 2 and Figure 2.
- Forty percent of full-time dependent students enrolled in public four-year colleges and universities live on campus. Another 40 percent live in off-campus housing and about 20 percent live with their parents. (*National Postsecondary Student Aid Study*, 2004)
- Two-thirds of full-time dependent students enrolled in private four-year colleges and universities live on campus. About 20 percent live in off-campus housing and 17 percent live with their parents. (*National Postsecondary Student Aid Study*, 2004)

## Regional Variation in Charges



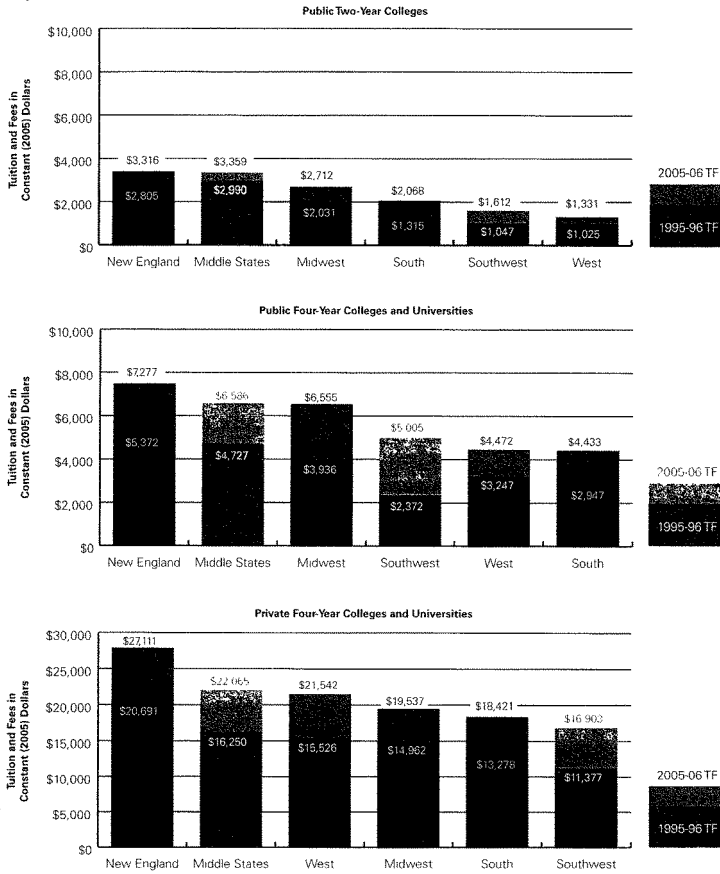
Tuition and fees in all sectors are highest in the New England and the Middle States regions. There is a difference of about \$3,000 between average published tuition and fee levels at public four-year colleges in the West and those in New England.

- In percentage terms, the most rapid growth in public four-year tuition over the decade from 1995-96 to 2005-06 was in the Southwest, where published charges more than doubled. However, at \$5,005, average tuition and fees in the Southwest remain below the national average of \$5,491.
- Average published tuition and fees at private four-year colleges range from a low of \$16,903 in the Southwest to \$27,928 in New England.
- Tuition and fees at public two-year colleges grew much more slowly in the Middle States region than elsewhere in the country over the past decade. Nonetheless, the \$3,359 average full-time price in 2005-06 is \$1,168 higher than the national average.
- The pattern of relative prices by region is somewhat different if room and board charges and living costs for commuter students are included in the totals. Although average tuition and fee charges are \$533 lower in the West than in the Southwest, high room and board charges at public four-year colleges and universities in the West result in total charges that are almost \$2,200 higher on average than the average tuition, fee, room and board charges in the Southwest.
- High living costs for two-year public college students in the West raise the total cost of attending these institutions above the total cost in the South, Southwest, and Midwest, despite the much lower tuition and fee levels prevailing in this sector in the West.

## Regional Variation in Charges

**Figure 7:** Tuition and Fee Charges by College Board Region and Institution Type, 1995-96 and 2005-06, in Constant (2005) Dollars (Enrollment-Weighted)

The bottom segment of each bar represents tuition and fees in 1995-96 (in constant 2005 dollars). The top segment of each bar represents the increase in tuition and fees between 1995-96 and 2005-06.



**Note:** All data adjusted for inflation (constant dollars). The scale on the graphic for private colleges is different from the scale on the public four-year and public two-year graphics.

**Source:** Annual Survey of Colleges, The College Board, New York, NY.

*These are enrollment-weighted averages, intended to reflect the average costs that full-time undergraduate students face in various types of institutions*



# Student Budgets by Region

**Table 5:** Average Student Expenses, by College Board Region, 2005-06 (Enrollment-Weighted)

				Resident			Commuter		
	Tuition and Fees	Additional Out-of-District/State Charges	Books and Supplies	Room and Board	Transportation	Other Costs	Room and Board*	Transportation	Other Costs
National									
2-yr public	\$2,191	\$4,160	\$801	----	----	---	\$5,909	\$1,175	\$1,616
4-yr public	\$5,491	\$7,673	\$894	\$6,636	\$852	\$1,693	\$6,476	\$1,168	\$1,962
4-yr private	\$21,235		\$904	\$7,791	\$691	\$1,295	\$7,249	\$1,960	\$1,622
New England									
2-yr public	\$3,316	\$5,331	\$752	----	----	----	\$5,942	\$1,121	\$1,573
4-yr public	\$7,277	\$7,816	\$820	\$7,081	\$530	\$1,281	\$6,587	\$882	\$1,481
4-yr private	\$27,111		\$885	\$9,271	\$543	\$1,114	\$7,832	\$965	\$1,228
Middle States									
2-yr public	\$3,359	\$3,730	\$804	----	----	----	\$6,080	\$1,032	\$1,519
4-yr public	\$6,586	\$6,077	\$876	\$7,467	\$597	\$1,503	\$6,559	\$876	\$2,031
4-yr private	\$22,065		\$878	\$8,846	\$573	\$1,175	\$8,009	\$991	\$1,476
South									
2-yr public	\$2,068	\$4,148	\$782	----	----	----	\$5,357	\$1,438	\$1,463
4-yr public	\$4,433	\$8,900	\$843	\$5,735	\$1,087	\$1,607	\$6,055	\$1,322	\$1,769
4-yr private	\$18,421		\$888	\$6,861	\$907	\$1,381	\$7,364	\$1,237	\$1,790
Midwest									
2-yr public	\$2,712	\$4,386	\$782	----	----	----	\$5,083	\$1,228	\$1,535
4-yr public	\$6,555	\$7,423	\$783	\$6,261	\$764	\$1,797	\$6,083	\$1,078	\$1,996
4-yr private	\$19,537		\$890	\$6,623	\$651	\$1,309	\$6,228	\$1,070	\$1,802
Southwest									
2-yr public	\$1,612	\$2,423	\$729	\$3,605	\$763	\$1,149	---	\$1,340	\$1,549
4-yr public	\$5,005	\$6,489	\$889	\$5,615	\$1,215	\$1,871	\$5,818	\$1,548	\$1,998
4-yr private	\$16,903		\$898	\$6,152	\$931	\$1,371	\$5,467	\$1,178	\$1,518
West									
2-yr public	\$1,331	\$4,669	\$874	----	----	---	\$6,802	\$963	\$1,895
4-yr public	\$4,472	\$9,601	\$1,123	\$8,329	\$888	\$1,939	\$7,432	\$1,126	\$2,108
4-yr private	\$21,542		\$1,042	\$8,081	\$678	\$1,667	\$7,693	\$895	\$1,682

\* Room and board costs for commuter students are averages, estimated living expenses for students living off campus but not with parents as reported by institutions in the *Annual Survey of Colleges*.

Source: *Annual Survey of Colleges*, The College Board, New York, NY.

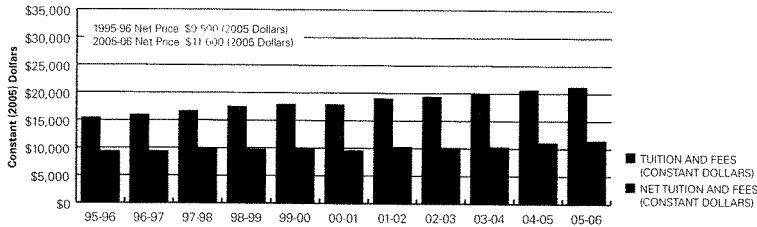
Dashes indicate that the sample was too small to provide meaningful information. Data are enrollment-weighted, with the exception of Additional Out-of-District (for 2-year public) and Out-of-State (for 4-year public) Charges, which are unweighted.

The total budgets students must meet with a combination of student and family resources, student aid, and employment are similar for residential students and commuter students not living with their parents

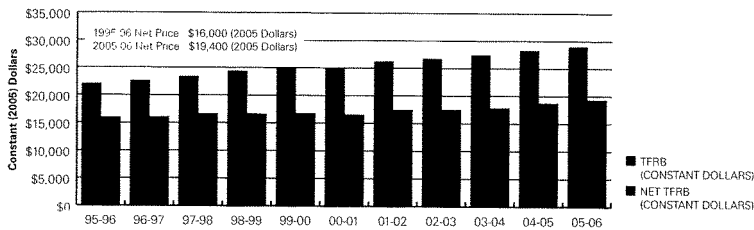
- Average institutional estimates of the annual cost of books and supplies range from \$729 at public two-year colleges in the Southwest to \$1,123 at public four-year colleges in the West
- Out-of-district charges for students enrolled in two-year public colleges range from an average of \$2,423 in the Southwest to \$5,331 in New England
- Out-of-state charges for students enrolled in four-year public colleges range from an average of \$6,077 in the Middle States to \$9,601 in the West.

# Net Price: Private Four-Year Colleges and Universities

**Figure 8a:** Net Price: Published Tuition and Fee Charges Compared to Tuition and Fees After Average Grant and Education Tax Benefits Per Full-Time Student, Private Four-Year Colleges and Universities, in Constant (2005) Dollars, 1995-96 to 2005-06



**Figure 8b:** Published Tuition, Fee, Room and Board (TFRB) Charges Compared to TFRB After Average Grant and Education Tax Benefits Per Full-Time Student, Private Four-Year Colleges and Universities, in Constant (2005) Dollars, 1995-96 to 2005-06



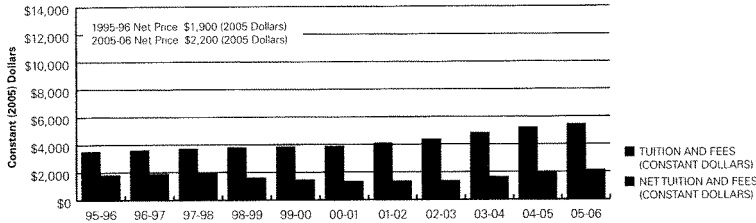
**Note:** Grant aid for 2005-06 is estimated based on 2004-05 data

On average, full-time students enrolled in private colleges and universities receive about \$9,600 in grants and tax benefits from the federal government, state governments, institutions, and private sources. This aid reduces the average tuition and fees paid from the published 2005-06 price of \$21,235 to a net price of about \$11,600.

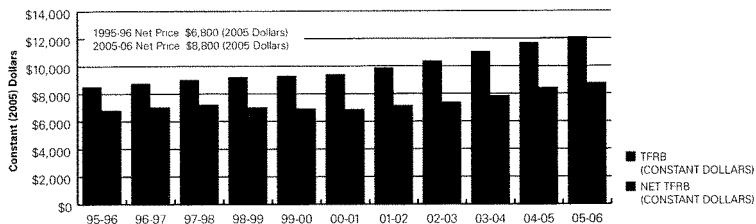
- The net prices reported in these graphs are estimated averages for the sector. Students pay different prices depending on their circumstances.
- Not apparent in the average prices illustrated here is the reality that both federal education tax benefits and the changing distribution of state and institutional grant aid have reduced the average net price for middle- and upper-income students relative to the net price for lower-income students.
- On average, grants from all sources plus federal tax credits and deductions cover about 45 percent of tuition and fees and 33 percent of published tuition, fee, and room and board charges for full-time private college students.
- The average \$6,200 per student in institutional grant aid received by full-time students enrolled in private four-year colleges and universities constitutes 64 percent of their gift aid.

## Net Price: Public Four-Year Colleges and Universities

**Figure 8c:** Net Price Published Tuition and Fee Charges Compared to Tuition and Fees After Average Grant and Education Tax Benefits Per Full-Time Student, Public Four-Year Colleges and Universities, in Constant (2005) Dollars, 1995-96 to 2005-06



**Figure 8d:** Published Tuition, Fee, Room and Board (TFRB) Charges Compared to TFRB After Average Grant and Education Tax Benefits Per Full-Time Student, Public Four-Year Colleges and Universities, in Constant (2005) Dollars, 1995-96 to 2005-06



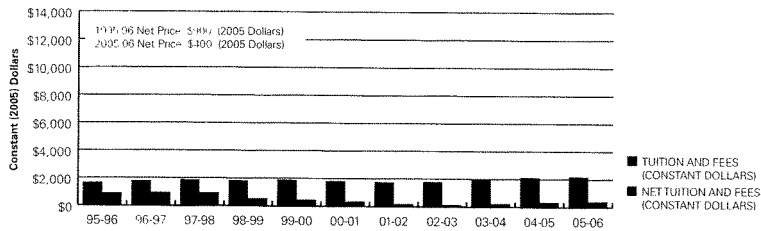
Note: Grant aid for 2005-06 is estimated based on 2004-05 data

On average, full-time students enrolled in public four-year colleges and universities receive about \$3,300 in grants and tax benefits from the federal government, state governments, institutions, and private sources. This aid reduces the average tuition and fees paid from the published 2005-06 price of \$5,491 to a net price of about \$2,200

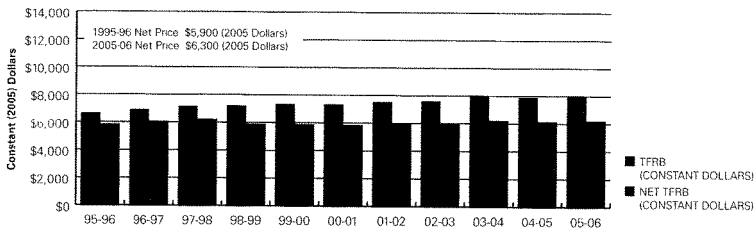
- The net prices reported in these graphs are estimated averages for the sector. Students pay different prices depending on their circumstances.
- Not apparent in the average prices illustrated here is the reality that both federal education tax benefits and the changing distribution of state and institutional grant aid have reduced the average net price for middle- and upper-income students relative to the net price for lower-income students.
- On average, grants from all sources plus federal tax credits and deductions cover about 60 percent of tuition and fees and 27 percent of published tuition, fee, and room and board charges for full-time public four-year college students.
- Average net tuition and fees for full-time public four-year students declined in inflation-adjusted dollars during the first half of the decade. However, a combination of rapidly rising published prices and slower growth in grant aid has caused net price increases each year since 2001-02, leading to a 17 percent increase (in constant dollars) over the decade.

## Net Price: Public Two-Year Colleges

**Figure 8e:** Net Price: Published Tuition and Fee Charges Compared to Tuition and Fees After Average Grant and Education Tax Benefits Per Full-Time Student, Public Two-Year Colleges, in Constant (2005) Dollars, 1995-96 to 2005-06



**Figure 8f:** Net Price: Published Tuition, Fee, Room and Board (TFRB) Charges Compared to TFRB After Average Grant and Education Tax Benefits Per Full-Time Student, Public Two-Year Colleges, in Constant (2005) Dollars, 1995-96 to 2005-06



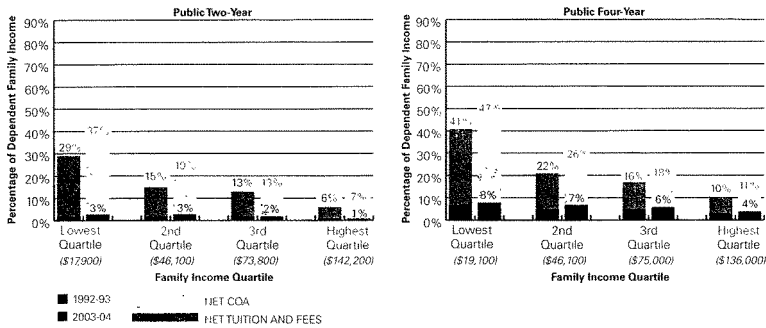
Note: Grant aid for 2005-06 is estimated based on 2004-05 data.

On average, full-time students enrolled in public two-year colleges receive about \$1,800 in grants and tax benefits from the federal government, state governments, institutions, and private sources. This aid reduces the average tuition and fees paid from the published 2005-06 price of \$2,191 to a net price of about \$400

- The net prices reported in these graphs are estimated averages for the sector. Students pay different prices depending on their circumstances.
- Not apparent in the average prices illustrated here is the reality that both federal education tax benefits and the changing distribution of state and institutional grant aid have reduced the average net price for middle- and upper-income students relative to the net price for lower-income students
- Only 35 percent of two-year public college students are enrolled full-time. Part-time students and the grant aid they receive are excluded from this calculation
- On average, grants from all sources plus federal tax credits and deductions cover about 81 percent of tuition and fees and 22 percent of tuition, fees, and commuter room and board charges for full-time public two-year college students
- For full-time public two-year students, average net tuition and fees in inflation-adjusted dollars declined over the decade, although it began to rise in 2003-04 as published prices continue to rise but grants per student have stagnated

## Net Prices Relative to Family Incomes: Public Institutions

**Figure 9a:** Full-Time Dependent Student Net Tuition and Fees and Net Cost of Attendance (COA) As a Percentage of Family Income, 1992-93 and 2003-04



**Note:** Net price is defined here as published price less grant aid. Unlike the calculations of net price in Figure 8, tax credits and deductions are not subtracted. Percentages are based on the actual net prices and family incomes of students enrolled in each sector. Income percentiles are based on all full-time dependent undergraduates. Average family incomes within each sector for these quartiles are noted above.

**Source:** NPSAS: 1993 Undergraduates, NPSAS: 2004 Undergraduates; calculations by the authors.

*The bottom segment of each bar shows the percentage of income required to pay the average net tuition and fees, after subtracting average total grant aid received by full-time dependent students in the specified income quartile enrolled in the sector. The entire bar shows the percentage of income required to pay the total net cost of attendance. It includes room, board, books, transportation, and personal expenses, in addition to tuition and fees.*

The proportion of family income required to cover the total expenses net of grant aid at public two-year and four-year colleges increased significantly only for students in the lower half of the income distribution between 1992-93 and 2003-04

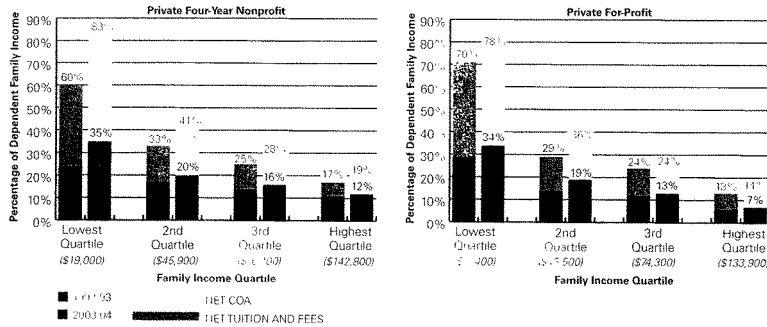
- When grant aid is subtracted from the published charges, net tuition and fees for dependent students require only 1 to 3 percent of the incomes of families with students enrolled in two-year public colleges
- However, the average two-year public net cost of attendance for dependent students from the lowest income quartile represented 37 percent of average family income in 2003-04, an increase from 29 percent in 1992-93
- When grant aid is subtracted from the published charges, net tuition and fees for dependent students require only 4 to 8 percent of the incomes of families with students enrolled in four-year public colleges
- However, the average four-year public net cost of attendance for dependent students from the lowest income quartile represented 47 percent of average family income in 2003-04, an increase from 41 percent in 1992-93

### Also important

- Fifty-nine percent of full-time undergraduates enrolled in public four-year institutions and 53 percent of those attending public two-year colleges receive federal, state, or institutional grant aid (NCES, 2005, *Undergraduate Financial Aid Estimates for 2003-04 by Type of Institution*, NCES 2005-163)
- Fifteen percent of students from upper-income families are enrolled in public two-year colleges, compared to 19 percent of those from upper middle-income families and 25 percent of those from the bottom half of the income distribution

# Net Prices Relative to Family Incomes: Private Nonprofit and For-Profit Institutions

**Figure 9b:** Full-Time Dependent Student Net Tuition and Fees and Net Cost of Attendance (COA) As a Percentage of Family Income, 1992-93 and 2003-04



**Note:** Net price is defined here as published price less grant aid. Unlike the calculations of net price in Figure 8, tax credits and deductions are not subtracted. Percentages are based on the actual net prices and family incomes of students enrolled in each sector. Income percentiles are based on all full-time dependent undergraduates. Average family incomes within each sector for these quartiles are noted above. Values for private for-profit institutions are less reliable than those for other sectors because of small sample sizes.

**Sources:** NCES, NPSAS: 1993 Undergraduates; NPSAS: 2004 Undergraduates; calculations by the authors.

*The bottom segment of each bar shows the percentage of income required to pay the average net tuition and fees, after subtracting average total grant aid received by full-time dependent students in the specified income quartile enrolled in the sector. The entire bar shows the percentage of income required to pay the total net cost of attendance. It includes room, board, books, transportation, and personal expenses, in addition to tuition and fees.*

Tuition and fees net of grant aid equal about one-third of the family incomes of the lowest income full-time dependent students enrolled in both private nonprofit four-year and for-profit institutions.

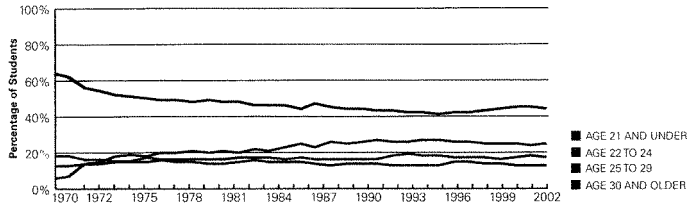
- When grant aid is subtracted from the published charges, net tuition and fees for dependent students require 16 to 20 percent of the incomes of middle-income families with students enrolled in the private nonprofit sector. Net tuition and fees represent 12 percent of average income for families in the top income quartile.
- Between 1992-93 and 2003-04, net total cost of attendance in private four-year nonprofit institutions rose from 60 to 83 percent of average family income for dependent students in the lowest income quartile.
- When grant aid is subtracted from the published charges, net tuition and fees for dependent students require 19 percent of lower-middle family income, 13 percent of upper-middle family income, and 7 percent of family income for the most affluent students enrolled in the for-profit sector.
- The average private for-profit net cost of attendance for dependent students from the lowest income quartile represented 78 percent of average family income in 2003-04, an increase from 70 percent in 1992-93.

## Also important

- Eighty-two percent of full-time undergraduates enrolled in private nonprofit four-year colleges and universities and 70 percent of those attending for-profit institutions receive federal, state, or institutional grant aid (NCES, 2005, *Undergraduate Financial Aid Estimates for 2003-04 by Type of Institution*, NCES 2005-163).
- Twenty-nine percent of students from upper-income families are enrolled in private four-year colleges and universities, compared to 21 to 22 percent of those from families in the lower three income quartiles.

## Changing Enrollment Patterns

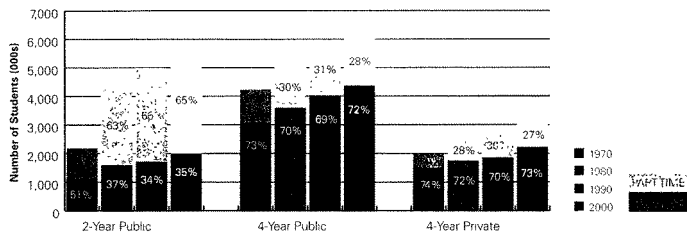
**Figure 10:** Age Distribution of College Students 14 Years Old and Over, 1970–2002



**Note:** In addition to undergraduates, these data include graduate students, who are likely to be older than traditional college age. Graduate students have represented about 12 percent of total enrollment throughout the 30-year time period.

**Source:** U.S. Census Bureau, 2004, Table A-6.

**Figure 11:** Full-Time and Part-Time Enrollment by Sector, 1970–2000



**Source:** NCES, 2004, *Digest of Education Statistics*, Table 181

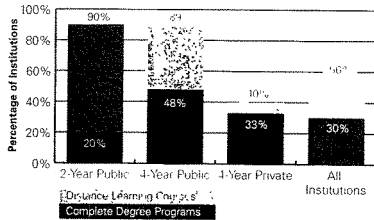
The bars in this graphic show the numbers of students enrolled at postsecondary institutions. The dark colored segments show the number (and percent) of students enrolled full-time at each institution type. The light colored bars show the number (and percent) of students enrolled part-time at each institution type.

Between 1970 and 1980, both the proportion of students who are age 30 or older and the proportion of students who enroll part-time increased significantly. Since 1980, these enrollment patterns have remained stable.

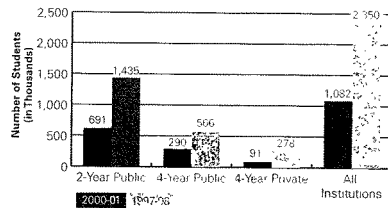
- In 1970, 64 percent of students were 21 or younger and only 6 percent were 30 or older. By 1987, only 47 percent were 21 or younger and 23 percent were 30 or older. The percentages were similar in 2000.
- Part-time students enrolled in two-year public colleges increased from 12 percent of all postsecondary students in 1970 to 23 percent in 1980 and comprised 24 percent of the total in 2000. Full-time students in two-year public colleges have remained about 13 percent of postsecondary enrollments throughout this 30-year period.
- In all sectors combined, 32 percent of students were enrolled part-time in 1970. That proportion increased to 41 percent in 1980 and was also 41 percent in 2000.

# Changing Enrollment Patterns

**Figure 12a:** Percentage of Institutions Offering Distance Education Programs, 2001

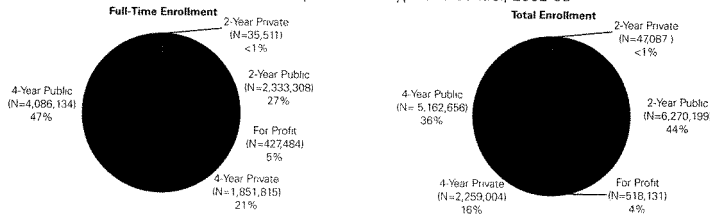


**Figure 12b:** Number of Undergraduate Students Enrolled in College-Level, Credit-Granting Distance Education Courses, 1997-98 and 2000-01



Note: The "All Institutions" category includes students enrolled in for-profit institutions in addition to the sectors detailed here.  
Source: NCES, 2004, *Condition of Education*, Indicator 32

**Figure 13:** Undergraduate Fall Enrollment by Institution Type and Control, 2002-03



Note: Percents may not sum to 100 percent due to rounding.

Source: NCES, 2005, *Enrollment in Postsecondary Institutions, Fall 2002 and Financial Statistics, Fiscal Year 2002*, NCES 2005-168, Table 8.

Enrollment in distance education courses has increased significantly and in 2001, 56 percent of all postsecondary institutions offered some distance learning courses

- Ninety percent of two-year public colleges offer distance learning, but only 20 percent offer degree programs designed to be completed online
- Forty percent of four-year private colleges and universities offer distance learning and 33 percent offer degree programs designed to be completed online.
- The number of undergraduate students enrolled in college-level credit-granting distance education courses increased from 1.1 million in 1997-98 to 2.4 million in 2000-01
- Almost half of all full-time undergraduates and 36 percent of all undergraduates, including both full-time and part-time students, are enrolled in public four-year colleges and universities.
- Just over a quarter of all full-time undergraduates are enrolled in public two-year colleges. Because of the prevalence of part-time enrollment in this sector, 44 percent of all undergraduates are enrolled in public two-year colleges
- Four-year private colleges enroll 21 percent of full-time undergraduates and 16 percent of all undergraduates, including both full-time and part-time students.

## Also important

Among public two-year college students, 26 percent are registered for five credit hours or less. About 15 percent are registered for 26 credit hours or more for the academic year. (Calculations by Community College Research Center, Columbia University, based on 1999-2000 NPSAS data)



# Tuition and Fees by State

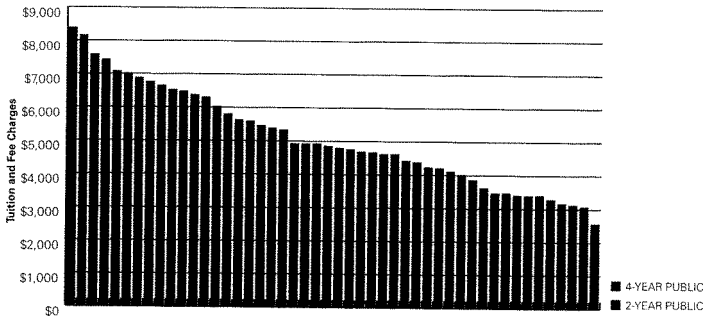
**Table 6:** Average Published Tuition and Fee Charges by State, 2005-06 (Enrollment-Weighted)

	Public Two-Year			Public Four-Year			Private Four-Year		
	2005-06	2004-05	% Change	2005-06	2004-05	% Change	2005-06	2004-05	% Change
<b>NATIONAL</b>	<b>\$2,191</b>	<b>\$2,079</b>	<b>5%</b>	<b>\$5,491</b>	<b>\$5,126</b>	<b>7%</b>	<b>\$21,235</b>	<b>\$20,045</b>	<b>6%</b>
Alabama	\$2,730	\$2,720	<1%	\$4,650	\$4,390	6%	\$11,220	\$10,650	5%
Alaska	*	*	*	\$3,750	\$3,440	9%	\$11,790	\$11,320	4%
Arizona	\$1,540	\$1,420	8%	\$4,410	\$4,080	8%	\$14,330	\$13,520	6%
Arkansas	\$1,810	\$1,730	5%	\$4,700	\$4,330	9%	\$12,150	\$11,150	9%
California	\$810	\$810	0%	\$4,140	\$3,830	8%	\$21,430	\$20,110	7%
Colorado	\$2,270	\$2,110	8%	\$4,260	\$3,640	17%	*	*	*
Connecticut	\$2,540	\$2,410	5%	\$6,330	\$5,970	6%	\$24,080	\$22,780	6%
Delaware	\$2,170	\$2,030	7%	\$6,400	\$5,840	10%	\$12,260	\$11,330	8%
District of Columbia	*	*	*	*	*	*	\$21,690	\$20,760	4%
Florida	\$1,910	\$1,780	7%	\$3,100	\$2,950	5%	\$15,410	\$14,550	6%
Georgia	\$1,920	\$1,780	8%	\$3,190	\$3,010	6%	\$15,660	\$14,730	6%
Hawaii	\$1,520	\$1,460	4%	\$3,150	\$3,060	3%	\$9,610	\$9,240	4%
Idaho	\$1,810	\$1,740	4%	\$3,890	\$3,560	9%	\$13,330	\$12,580	6%
Illinois	\$2,070	\$1,920	8%	\$6,540	\$5,970	10%	\$18,500	\$17,890	3%
Indiana	\$2,650	\$2,520	5%	\$5,490	\$5,210	5%	\$19,960	\$18,730	7%
Iowa	\$3,180	\$2,990	6%	\$5,620	\$5,400	4%	\$17,960	\$17,040	5%
Kansas	\$1,870	\$1,750	7%	\$4,240	\$3,870	10%	\$14,830	\$13,970	6%
Kentucky	\$2,970	\$2,770	7%	\$4,880	\$4,290	14%	\$14,050	\$13,180	7%
Louisiana	\$1,900	\$1,800	6%	\$3,500	\$3,330	5%	*	*	*
Maine	\$3,600	\$3,430	5%	\$6,500	\$6,170	5%	*	*	*
Maryland	\$2,990	\$2,870	4%	\$6,790	\$6,480	5%	\$21,590	\$20,430	6%
Massachusetts	\$2,770	\$2,550	9%	\$5,660	\$5,230	8%	\$23,760	\$22,550	5%
Michigan	\$2,200	\$2,070	6%	\$7,100	\$6,360	12%	\$14,340	\$13,560	6%
Minnesota	\$4,020	\$3,810	6%	\$6,680	\$6,220	7%	\$20,260	\$19,060	6%
Mississippi	\$1,680	\$1,540	9%	\$4,040	\$3,850	5%	\$9,420	\$8,860	6%
Missouri	\$2,270	\$2,150	6%	\$5,830	\$5,570	5%	\$14,190	\$13,420	6%
Montana	\$2,480	\$2,370	5%	\$4,720	\$4,330	9%	\$15,480	\$14,440	7%
Nebraska	\$2,140	\$1,980	8%	\$4,450	\$4,140	7%	\$14,650	\$13,820	6%
Nevada	\$1,640	\$1,590	3%	\$2,590	\$2,480	4%	*	*	*
New Hampshire	\$5,100	\$4,600	11%	\$7,460	\$6,990	7%	\$20,660	\$19,590	5%
New Jersey	\$2,920	\$2,750	6%	\$8,180	\$7,560	8%	\$22,020	\$20,840	6%
New Mexico	\$1,470	\$1,380	7%	\$4,310	\$3,070	8%	\$21,380	\$19,800	8%
New York	\$3,490	\$3,370	4%	\$4,950	\$4,890	1%	\$21,760	\$20,530	6%
North Carolina	\$1,310	\$1,250	5%	\$3,440	\$3,370	2%	\$16,270	\$15,250	7%
North Dakota	\$2,950	\$2,720	8%	\$4,790	\$4,360	10%	*	*	*
Ohio	\$3,650	\$3,450	6%	\$7,040	\$6,600	7%	\$18,910	\$17,860	6%
Oklahoma	\$2,260	\$2,130	6%	\$3,430	\$3,180	8%	\$13,420	\$12,600	7%
Oregon	\$2,930	\$2,790	5%	\$5,360	\$5,100	5%	\$19,830	\$18,760	6%
Pennsylvania	\$6,280	\$5,910	6%	\$8,410	\$8,020	5%	\$21,630	\$20,460	6%
Puerto Rico	*	*	*	\$1,410	\$1,190	18%	\$4,780	\$4,450	7%
Rhode Island	*	*	*	\$6,040	\$5,550	9%	\$22,640	\$21,440	6%
South Carolina	\$3,130	\$2,990	5%	\$6,910	\$6,220	11%	\$16,100	\$15,220	6%
South Dakota	\$3,270	\$3,160	3%	\$4,950	\$4,710	5%	\$15,560	\$14,600	7%
Tennessee	\$2,390	\$2,200	9%	\$4,650	\$4,220	10%	\$14,720	\$13,860	6%
Texas	\$1,510	\$1,420	6%	\$4,830	\$4,560	6%	\$13,980	\$13,170	6%
Utah	\$2,070	\$1,930	7%	\$3,500	\$3,190	10%	*	*	*
Vermont	\$4,990	\$4,720	6%	\$7,610	\$7,200	6%	\$21,220	\$19,920	7%
Virginia	\$2,190	\$2,080	5%	\$6,050	\$5,610	8%	\$19,310	\$17,930	8%
Washington	\$2,660	\$2,500	6%	\$4,950	\$4,610	7%	\$19,010	\$17,870	6%
West Virginia	\$1,840	\$1,820	1%	\$3,650	\$3,370	8%	\$15,300	\$14,420	6%
Wisconsin	\$3,330	\$3,110	7%	\$5,410	\$4,970	9%	\$18,980	\$18,100	5%
Wyoming	\$1,800	\$1,710	5%	\$3,430	\$3,240	6%	*	*	*

\* The sample size for these fields is too small to report on.

## Variations by State

**Figure 14:** Range of Average State Public Four-Year and Two-Year College and University Tuition and Fee Levels, 2005-06



Both tuition and fee levels and higher education financing patterns vary considerably across states. Some states with high tuition and fee levels have relatively generous grant programs that reduce the average price students actually pay.

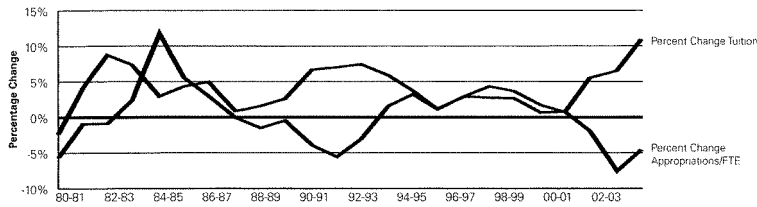
- Average published tuition and fees for full-time students enrolled in public two-year colleges range from \$810 in California and \$1,310 in North Carolina to \$5,100 in New Hampshire and \$6,280 in Pennsylvania
- California public two-year colleges did not increase tuition and fees at all in 2005-06 and the increase in Alabama was only \$10. New Hampshire's increase was 11 percent, raising the price by \$500.
- Tuition and fee charges for full-time students enrolled in public four-year colleges and universities are \$2,590 in Nevada, \$3,100 in Florida, and \$1,410 in Puerto Rico. The published prices in Pennsylvania and New Jersey are \$8,410 and \$8,180, respectively
- The high published tuition and fee levels at public institutions in Pennsylvania and New Jersey are accompanied by relatively generous state grant programs, which provided \$773 and \$890 per student respectively in 2003-04, compared to a national average of \$372. (NASSGAP, 35th Annual Survey)
- Published tuition and fee charges at public four-year colleges and universities increased by only \$60 in New York (1 percent) and \$70 (2 percent) in North Carolina in 2005-06. In contrast, the increase was \$590 in Kentucky (14 percent) and \$620 in Colorado (17 percent).
- Published tuition and fee levels at private four-year colleges average \$9,420 in Mississippi and \$9,610 in Hawaii. The highest average private college prices are \$24,080 in Connecticut and \$23,760 in Massachusetts
- The largest dollar increases in private college tuition and fees were \$1,580 (8 percent) in New Mexico and \$1,380 (8 percent) in Virginia. The largest percentage increase occurred in Arkansas, where the 9 percent increase raised average tuition and fees for full-time students at private four-year colleges by \$1,000

### Also important

There is considerable variation in the forms in which states provide their subsidies to students. On average, states provide grant aid to students equal to 7 percent of the level of appropriations per student. However, South Carolina provides grant aid per student equal to 30 percent of appropriations per student and in Vermont the ratio is 25 percent. Because of these differences, published tuition and fee levels may have very different effects on students in different states. (National Association of State Student Grant and Aid Programs, 2005, 35th Annual Survey Report on State-Sponsored Student Financial Aid, and data from the association of State Higher Education Executive Officers)

## Institutional Revenues

**Figure 15:** Annual Percentage Change in Instructional Appropriations and Tuition and Fees at Public Four-Year Institutions, 1980-81 to 2003-04 (Constant 2003 Dollars)



**Note:** Instructional appropriation equals state appropriations plus local appropriations, excluding research, agriculture, and medical appropriations. Full-time equivalent numbers are computed by SHEEO, based on 30 credit hours (or equivalent)

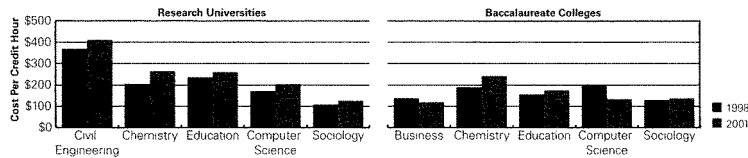
**Sources:** Table 3a and data online ([collegeboard.com/trends](http://collegeboard.com/trends)); State Higher Education Executive Officers, 2004, *State Higher Education Finance Survey*, Table 4b.

The largest average increases in tuition and fees at public four-year colleges and universities occur during periods of declines or slow growth in the level of state instructional appropriations per student

- Average instructional appropriations per student increased by 6.3 percent in inflation-adjusted dollars between 1983-84 and 1993-94 and by 3.0 percent between 1993-94 and 2003-04.
- Average instructional appropriations per student declined by 1.9 percent in 2001-02, by 7.6 percent in 2002-03 and by 4.5 percent in 2003-04 after adjusting for inflation. Tuition and fee increases were 5.5 percent, 6.5 percent, and 10.9 percent in constant dollars in those years.
- The national average of \$5,721 per student conceals considerable variation across states in levels of state appropriations. In 2003-04, per-student appropriations ranged from \$3,202 in Colorado and \$3,284 in New Hampshire to \$9,566 in Hawaii and \$11,358 in Wyoming.

## Instructional Expenditures by Discipline

**Figure 16:** Direct Instructional Expenses Per Student Credit Hour Taught, by Discipline, 1998 and 2001



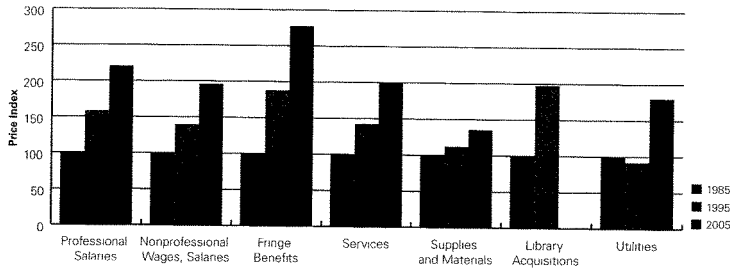
**Source:** NCES, 2003, *A Study of Higher Education Instructional Expenditures: The Delaware Study of Instructional Costs and Productivity*, NCES 2003-161.

Instructional costs vary considerably across disciplines and also differ by institutional type

- Engineering programs are the most expensive to offer, averaging \$411 and \$379 per credit hour for civil and mechanical engineering in research universities in 2001
- For education courses, research universities spent \$260 per credit hour and baccalaureate colleges spent \$175 in 2001. Average costs for sociology credit hours were \$126 at research universities and \$138 at baccalaureate colleges.
- The cost per credit hour of computer science courses rose at research universities but declined at baccalaureate colleges between 1998 and 2001
- The cost per credit hour of chemistry courses increased by almost 30 percent in both types of institutions between 1998 and 2001

# Institutional Expenditures

**Figure 17:** Price Indexes of Goods and Services Purchased by Colleges and Universities, 1985–2005

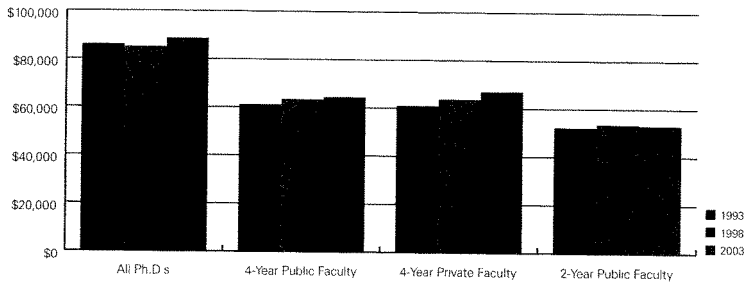


**Note:** Based on Higher Education Price Index, which tracks prices paid by colleges and universities.

**Source:** Common Fund, 2004; *College and University Higher Education Pricing Index, 2004 Update*; calculations by the authors.

The price indexes show the price of the goods and services in each expenditure category relative to the 1985 price. Increases reflect both general inflation and increases beyond the CPI. 2005 data for library acquisitions are not available.

**Figure 18:** Average Faculty Salaries and Earnings of All Ph.D.'s in Constant (2003) Dollars, 1993–2003



**Note:** Salaries are averages for full-time faculty on 9–10 month contracts. This includes about 70 percent of all faculty.

**Sources:** U.S. Census Bureau, 2004, P-22; *Digest of Education Statistics*, 2003, Table 239; NCES, 2005, *Staff in Postsecondary Institutions*, Fall 2003, Table 10; NCES 2005-155.

Average salaries of full-time faculty equal about 70 percent of the average earnings of all Ph.D.'s in the U.S.

- The prices of employee benefits have risen more rapidly than faculty salaries.
- Prices for utilities faced by colleges and universities were stable from 1985 to 2000 but almost doubled between 2000 and 2005.

## Also important

- Thirty-seven percent of employees in degree-granting colleges and universities are faculty, 34 percent are other professionals, and 29 percent are nonprofessional staff. Excluding medical schools, instruction is the primary activity of 42 percent of employees. (NCES, 2005, *Staff in Postsecondary Institutions*, Fall 2003, and *Salaries of Full-Time Instructional Faculty*, 2003-04; NCES 2005-155)
- Total compensation costs depend on numerous factors in addition to faculty salary levels. These include class sizes, the number of classes taught by each faculty member, the proportion of part-time and adjunct faculty employed, and the number of administrators and support staff.
- The information reported here does not provide a complete explanation of increases in the cost of providing higher education. The many issues not addressed here include increases in institutional grant aid, increasing competition among institutions to attract students, and growth in both academic programs offered and quality of facilities.

# Notes and Sources

## Data Sources and Analytical Details

Averages and price changes described in this report are based on data reported by public and private nonprofit colleges and universities as part of the College Board's 2005-06 *Annual Survey of Colleges*. Data were collected on questionnaires distributed in October 2004, and subjected to intensive review and follow-up where necessary through the following spring and summer months. Institutions could submit or revise their figures until the third week of August 2005. To collect comparable price information, the survey asked institutions to provide tuition and fee data based on charges to first-year full-time students, based on a nine-month academic year of 30 semester hours or 45 quarter hours. For those institutions with tuition policies that guarantee that tuition will remain constant throughout four years of study, average undergraduate tuition levels were collected and used in the analysis. If firm 2005-06 figures were not yet established at the time the database was closed out in August, but a reliable institutional or systemwide forecast was available, projected data were used in the analysis.

## Enrollment-Weighted and Unweighted Data

This report provides enrollment-weighted averages, or average prices that full-time undergraduate students face. When weights are used in the calculations, charges and estimated expenditures reported by colleges with larger full-time enrollments are weighted more heavily than those of institutions with smaller enrollments. When calculations are performed without weighting, the fixed charges and estimated expenditures of all reporting institutions are treated equally.

As a snapshot, neither set of averages is more or less correct than the other; they describe different phenomena. The weighted averages may be more helpful to students and families in anticipating future education expenses.

Some researchers, policy analysts, and academic administrators find the unweighted averages useful in studying longitudinal trends and evaluating a particular institution's practices against a larger set. Thus the College Board computes both weighted and unweighted averages. Tables on unweighted tuition data can be found online at [collegeboard.com/trends](http://collegeboard.com/trends).

Weights are applied differentially, depending on the data element being analyzed.

- Tuition and fees are weighted by full-time undergraduate enrollment.
- Resident room and board are weighted by the number of undergraduates living in college housing at each institution.
- Estimated other student budget components are weighted differentially:
  - Books and supplies (weighted by full-time undergraduate enrollment)
  - Resident transportation and other resident costs (weighted by the number of undergraduates living in college housing)
  - Commuter room and board, commuter transportation, and other commuter costs (weighted by the number of commuting undergraduates at each institution, reflecting the expenses of commuters not living at home with parents)

Note that the additional out-of-state charges included in Table 2 (sample budgets) and Table 5 for public colleges reflect the mean

charges reported by institutions, and not a weighted average. Some two-year public colleges also levy an additional out-of-district surcharge.

## Survey Response and Institutions Included in Calculations

Out of the surveys mailed to 2,882 public and private nonprofit institutions, 2,657 (92 percent) were included in this year's analysis. Beginning in 2004-05, we implemented an imputation process that allows us to include schools for which we are missing one year of data. To ensure that the averages we report are as accurate as possible at the time they are computed, the College Board maintains two kinds of internal controls:

- In order to minimize the distortions that might otherwise be caused by institutions responding one year and not the next, we include in the calculations only those institutions for which we have two consecutive years' worth of data or for which we have the information necessary to impute a second year of data.
- Rates of response vary considerably by budget component. Where the number of institutions reporting data is not large enough to provide meaningful information, we do not publish average figures.

Table A describes the institutions that were included in this analysis, by sector.

- The first column reports the number of questionnaires sent to each type of institution.
- The second column represents the number of total institutions of each type and control with sufficient information to be included in the analysis.
- The third column indicates the number of institutions that submitted projected rather than final data at the time the analysis was performed or for whom data were imputed. For example, in the two-year public sector, 7 schools reported projected, rather than firm, data and the College Board imputed data for 13 schools.

**Table A.** Composition of Sample for Tuition and Fees (T&F) Analysis

	Total Surveys Mailed	Number of Institutions Included in T&F Analysis	Institutions in Sample Where T&F Are Projected or Imputed (Not Firm)
2-Year Public	1,019	985	20
4-Year Public	606	555	4
4-Year Private	1,257	1,117	31
Total	2,882	2,657	55

The samples we construct for regional subsets are, of course, smaller. In some regional subsets, the number of usable observations in some budget components is so low that we either do not publish the averages or classify them as marginal.

Please note that the foregoing discussion applies only to the question of how many institutions are included in the pricing analysis

(averages and rates of change), not to the number of institutions whose data the College Board publishes in *The College Cost & Financial Aid Handbook*. In the *Handbook*, entries for individual institutions responding to the *Annual Survey* indicate whether the tuition figures are current, projected, or prior-year data. The 2006 edition of the *Handbook* was published in August 2005.

## Revision of Base-Year Figures

The base-year values for 2004-05 used in this analysis differs somewhat from the 2004-05 averages that we reported last year. Several factors contribute to the revision of the previous year's numbers. If tuition and fees or room and board information is missing for a given year, we estimate it based on the institution's relative position in the overall tuition and fee distribution of the relevant sector for the preceding year. If an institution did not report in 2004-05 but provided 2004-05 data in 2005-06, we replaced our estimate with the reported figure. For institutions missing only one year of enrollment data, we rely on the available year's enrollment figure. In some cases, we have used IPEDS data to estimate enrollment. The base-year numbers also change as a result of revisions submitted by institutions. Several hundred institutions submitted changes to their earlier figures for 2004-05. Most of these revisions are minor. Some result from simple human error, which in some measure can only be expected in such a large survey, and many result from the increasing complexity of tuition and fee formulas and determining what fees apply to all students. The College Board does not make revisions to incorporate changes in tuition levels imposed during the academic year.

Finally, the latest enrollment data available for weighting lag the price data by one year. In other words, the 2005-06 prices reported here are weighted by 2004-05 enrollment numbers. We have recomputed the 2004-05 prices using the enrollment figures for that year, which are now available.

The recomputed average for tuition and fees at public four-year institutions in 2004-05 is \$6 lower than the level we reported last year and for private four-year institutions, the \$20,045 figure reported here is \$37 (less than 1 percent) lower than the amount we reported in 2004. The revised tuition and fee level for public two-year colleges is \$3 higher than the 2004-05 level published last year.

Both the average prices for 2005-06 and calculated rates of change published in this report are subject to recomputation one year hence.

## Longitudinal Data

In Tables 3 and 4, tuition averages from years prior to 1987-88 are extracted from the National Center for Education Statistics' Integrated Postsecondary Education Data System (IPEDS). The two data sets, IPEDS and the College Board's *Annual Survey*, track very closely. Annual data for years preceding 1995-96 are available online on the College Board's Web site [www.collegeboard.com/trends](http://www.collegeboard.com/trends).

## Net Price Calculations

The calculations of net price for full-time undergraduate students are a best approximation. In previous years, we calculated net price for full-time equivalent students. This year, we relied on the distribution of student aid reported in the 1992-93, 1995-96, 1999-2000, and 2003-04 NPSAS data to divide all of the grant aid reported in *Trends in Student Aid 2005* between part-time and full-time students. The figures reported here divide the grant aid and tax benefits across all full-time undergraduates in the sector, not across aid recipients only.

The allocation of tax benefits is based on the income distribution of tax filers claiming the credits and deductions and, in the case of deductions, their marginal tax rates; the income distribution of the students enrolled in each sector; the eligibility resulting from the average tuition and fees net of grant aid paid by students in each sector; and the proportion of all students who are undergraduates.

Total charges for public two-year students include an estimate of housing and food expenses for students not living with their parents based on commuter room and board expenses when available and are derived from public four-year room and board charges for earlier years in the decade.

## Inflation Adjustment

The Consumer Price Index for all urban dwellers (the CPI-U) is used to adjust for inflation. Updated CPI data are available from the Bureau of Labor Statistics Web site (<http://stats.bls.gov/cpihome.htm>). The academic base year 2005-06 was extrapolated from the current CPI data and covers July 2005 to June 2006 (estimated).

### Formula for Constant Dollar Conversion

$$\begin{array}{c} \text{CONSTANT} \\ \text{(Base-Year)} \\ \text{Dollars} \end{array} = \begin{array}{c} \text{CURRENT} \\ \text{Year} \\ \text{Dollars} \end{array} \times \frac{\begin{array}{c} \text{CPI for the} \\ \text{Base Year} \end{array}}{\begin{array}{c} \text{CPI for the} \\ \text{Current Year} \end{array}}$$

Table B provides academic and calendar year CPI data. The factor column provides the user with a multiplication factor equal to that of CPI (base year) divided by CPI (current year), as illustrated in the right-hand side of the above equation. A simple multiplication of a current-year figure by the associated factor will yield a constant-dollar result.

**Table B.** Consumer Price Index (1982-84=100)

Academic Year			Calendar Year <sup>a</sup>		
Academic Year	CPI	Factor	Calendar Year	CPI	Factor
1995-96	154.5	1.2600	1995	152.4	1.2724
1996-97	158.9	1.2328	1996	156.9	1.2361
1997-98	161.7	1.2112	1997	160.5	1.2079
1998-99	164.4	1.1916	1998	162.9	1.1905
1999-00	169.1	1.1584	1999	166.4	1.1652
2000-01	175.1	1.1188	2000	172.2	1.1259
2001-02	178.2	1.0994	2001	177.1	1.0950
2002-03	182.1	1.0757	2002	179.9	1.0779
2003-04	186.1	1.0527	2003	184.0	1.0540
2004-05	190.2	1.0301	2004	188.9	1.0265
2005-06	195.9	1.0000	2005	193.9	1.0000



## Defining Terms

According to the National Commission on the Cost of Higher Education, defining "cost," "price," and "subsidy" is critical to clarifying the issues in financing postsecondary education

- **Costs** refer to the expenditures associated with delivering instruction, including physical plant and salaries
- **Prices** are the expenses that students and parents face  
**Published price** is the price institutions charge for tuition and fees as well as room and board in the case of students residing on campus. A full student expense budget also includes books, supplies, and transportation. **Net price** is what the student and/or family must cover after financial aid awards are subtracted
- **General subsidies** make it possible for institutions to charge less than the actual costs of instruction. State, federal, and local appropriations, as well as private philanthropy, reduce the prices faced by all students—whether or not they receive financial aid

This report provides the published prices facing students and parents and estimates of average net price. We refer readers to the companion publication, *Trends in Student Aid 2005*, for detailed data on the grant, loan, work-study, and education tax benefits that help families cover the expenses of college attendance. This report does not focus on the underlying costs of instruction or subsidies to institutions

An electronic copy of this report, along with the other reports of the Trends in Higher Education series and additional data tables, can be downloaded at [www.collegeboard.com/trends](http://www.collegeboard.com/trends).

This report provides the most recent and complete statistics available on pricing of U.S. public and private nonprofit postsecondary institutions. Based on the College Board's *Annual Survey of Colleges*, data presented in this publication cover tuition and fees, room and board, and other costs associated with going to college.

The Washington Office of the College Board conducts research relevant to public policy issues in education. The office is located at 1233 20th Street NW, Suite 600, Washington, DC 20036-2375. Phone 202 741-4700.

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050341686

## Response to data request from March 22, 2006 HVAC Hearing

During the March 22, 2006 hearing Chairman Boozman requested information concerning the length of time needed to process an education award using VBA's award processing system and the length of time needed to process an education award that cannot be completed within VBA's existing award processing system.

VBA tracks performance data by benefit type and not by type of training program. Therefore, the number of days needed to process an out-of-system award cannot be determined precisely. However, a sample review of available data has been conducted. That review indicates that it takes approximately 25% more time to process an average award outside of VBA's award processing system.

/s/

KEITH M WILSON

Director

Education Service

Veterans Benefits Administration